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## ACHIEVEMENTS OF FEDERAL MEDIATION

WILLIAM LEA CHAMBERS

United States Commissioner of Mediation

**I**N almost all parts of the world, especially before the abnormal conditions brought about by the European war, there has been during recent years a constantly growing spirit of industrial unrest. One of the most pressing questions of the day is, What can be done to secure and maintain industrial peace? All branches of industry have been affected by conflict and dissension. Within the past three years in this country Congress created a commission charged with the duty of ascertaining the underlying causes of industrial unrest and the best measures for promoting the peaceable settlement of industrial disputes. Similar inquiries have been authorized and constructive recommendations put forward in foreign countries. The maintenance of peace in the transportation industry and in other public utilities has been given primary consideration for the reason that the public welfare is closely bound up with their regular operation.

When we consider the misery and crime arising from ordinary industrial conflict—the passions which are inevitably produced in the heart of the strikers, the stimulation of mutual distrust and the widening of the gulf between employers and employees, the destruction of the happiness of many homes, the privations undergone by half-starved wives and children and the high mortality rate among children, violence and often-times murder and bloodshed, the destruction of property and the waste of capital, the dissipation of the workingman's savings of many years, and the permanent injury to a country's trade and industry—it is impossible not to sympathize at least with every plan to do away with lockouts and strikes altogether, or at least to cause them to be of infrequent occurrence. This feeling is intensified when the evil effects of railway

strikes are contemplated because the breakdown of our transportation system through controversies as to wages or working conditions means widespread suffering and possibly disorder and violence approaching civil war.

Recently I have had occasion to make a survey of legislation or administrative regulations for the purpose of preventing strikes or bringing about the peaceable and orderly settlement of disputes as to wages and working conditions on railroads which have been adopted by the leading industrial and commercial nations. These measures reveal a remarkable lack of uniformity. Each country or section seems to have worked out its own system from its own experience. In only one or two cases has one nation adopted the plan of another.

In the study of this class of legislation, however, one fact stands out prominently. Two things have been responsible for anti-strike legislation and legislation for the orderly settlement of industrial disputes. One group of countries in framing such legislation has primarily had in mind the protection of the public against the injurious effects of industrial warfare in the railway and other public utility services. Such reasons are evidently responsible for the legislative enactments in Canada, France, Italy, Russia, Rumania, Spain, and Portugal, and the attitude towards employees of the railway administration of Austria and Germany. On the other hand, the preservation of industrial peace and the advancement in economic welfare of certain industrial classes have been primarily considered in framing the legislation of Australasian countries, and the prevention of industrial conflicts in the railway service has been incidental to these broader purposes.

Among the Australasian countries, the general tendency of legislation has been to place a limitation, and with practically one exception, a prohibition upon the right to strike of railway and practically all other classes of industrial workers. Provisions against strikes and lockouts are also accompanied by others for the regulation of wages and working conditions. Another group of countries, on the other hand, such as Canada, the Transvaal, Spain, and Portugal, have not denied absolutely the right to strike, but have made the exercise of this right

contingent upon certain conditions—a notification to the government of the intention to strike, or, delay until after a governmental investigation and report. In the case of certain other European countries the right of railway workers or other employees in public service industries to strike is absolutely denied, and no machinery is provided for ventilating grievances. Great Britain and the United States occupy the unique position of having no legislation abridging the right to strike. Both countries have provided official machinery for the adjustment of wage and other difficulties between the railroads and their operating forces. In Great Britain the opportunities for conciliation and arbitration under the Conciliation Act of 1896 have also been supplemented by a general agreement of 1911 between railway officials and employees which makes provision for the conciliation of matters in dispute. In the United States the mediation and arbitration of railway wage disputes is, as you know, provided for by the so-called Newlands law. Strange as it may seem, in the case of these two countries, where legal machinery has been provided for the settlement of grievances without any limitation upon the right to strike, the most pronounced success in dealing with disputes seems to have been attained.

Legislation in the United States for the adjustment of grievances between the railroads and their employees had its inception in the year 1888. A law approved in October of that year provided for voluntary arbitration and practically for compulsory investigation of railway wage disputes. The provisions of this act, however, were never utilized, and it was superseded in June 1898 by what was known as the Erdman law. This legislation provided machinery for the mediation and arbitration of controversies affecting railroads and their train service employees, and was the basis of existing legislation. During the eight years following the passage of this law only one attempt was made to take advantage of its provisions. During the next five years, however, methods of procedure under the law were fully developed and its effectiveness was established.

There were in all 61 cases settled on request of the parties

either by mediation under the Erdman law or by arbitrations in accordance with its provisions. Seven of these cases were concerted movements, involving many of the various classes of employees and involving in each instance a large number of railroads, in one case as many as 64 roads. Of the 61 cases coming under the Erdman law during the 14 years of its existence, 28 were settled through mediation, 8 were settled by mediation and arbitration, and 4 by arbitration alone. In the remaining 21 cases, either the services of the mediators, requested by one of the parties, were refused by the other, or else direct settlements were reached between the parties after the services of the mediators were invoked without employing them or resorting to arbitration. The credit for the remarkable achievements in mediation and conciliation under this law are to be attributed to Judge Martin A. Knapp, chairman of the interstate commerce commission and presiding judge of the commerce court during this period, and to Dr. Chas. P. Neill, at that time United States commissioner of labor.

The next step in legislation relative to mediation and arbitration was the so-called Newlands law, approved July 13, 1913. It created the offices of commissioner of mediation and conciliation and assistant commissioner of mediation and conciliation, and further provided that the President shall also "designate not more than two other officials of the Government who have been appointed by and with the advice and consent of the Senate, who, together with the commissioner of mediation and conciliation, shall constitute a board to be known as the United States Board of Mediation and Conciliation." In August 1916 the board was increased to three members by the designation by the President of the assistant commissioner of mediation and conciliation as a member.

The law reenacted the general provisions of the Erdman law relative to mediation. It also provided for three-member boards of arbitration as authorized by the Erdman Act, but in addition, in order to meet the criticism of three-member boards placing too much power in the hands of the neutral arbitrator, it provided further for six-member boards of



arbitration, composed of two representatives from each side to a controversy, and two neutral members representing the public.

The immediate cause for the passage of the present law was the demands of the conductors and trainmen, which had been presented, in a concerted movement, some months previously to 42 eastern railroads in what is known as eastern associated territory. The direct negotiations between the parties resulted in a refusal by the railroads to grant the demands of the men, on the ground that the rates of wages then prevailing were adequate and that the employees were working under favorable conditions. A strike vote had been taken, resulting in some 97 per cent of the employees voting to withdraw from the service of the railroads unless their demands were complied with. The situation was an aggravated one and reached an acute stage early in July 1913. The public mind was excited, and the bill which had been pending in Congress for some months was, upon the advice of the President, promptly enacted into law to meet the emergency.

From the approval of the Newlands law on July 15, 1913, up to October 18 of the present year, a total of 61 controversies were adjusted by the board of mediation and conciliation. Of this number 46 were settled by mediation, 11 were adjusted by arbitration, and 4 by mediation and arbitration. In one case only have the board's efforts to effect a settlement by mediation failed and congressional action has become necessary to deal with a situation for which no preventive remedy existed. A strike which would have shattered the very foundation of our national industrial fabric, and which might have brought on revolution at a time when the fighting blood of the world was at fever heat, was averted. But it remains to be seen whether the attempt to settle an industrial dispute by special legislative action will prove as efficacious as the methods of peaceful adjustment brought about by mediation and the voluntary movements of the parties. In 21 cases employees made application for the services of the board, the railroads applied in 15 cases; in 17 cases the railroads and their employees made joint applica-

tion, and in 8 cases the board proffered and had its services accepted.

Some of the cases adjusted by the board or arbitrated under the auspices of the boards have involved thousands of employees and hundreds of millions of dollars of railway property. Two of the largest cases handled were the concerted movement of conductors and trainmen in the East in 1913, which involved 92,448 employees, and that of 1914-1915, which embraced all roads west of the Mississippi river and their locomotive engineers and firemen, who were 55,186 in number. In several other controversies the employees have exceeded 25,000 in number, and I believe it can be safely stated that every railroad of more than 100 miles in length in the entire country has been directly involved in controversies of some nature requiring the board's services. No strike has ever occurred where the services of the board have been invoked or where a case has actually been taken up, and in only three instances since the present mediation law was enacted have train movements been even temporarily suspended, with but slight inconvenience to the public and infinitesimal damage to property. So far as I have information, this record has not been equaled in any country where machinery has been provided for the settlement of railway wage disputes. If the magnitude of the property interests and the number of employees involved in railway wage disputes in this country are taken into consideration, the results which have been accomplished under the Newlands law have been without a parallel abroad.

These results have not been due primarily to any personal qualification of the members of the board or to any peculiar provisions of the existing law. Without the spirit which has characterized the attitude of both railway officials and the representatives of labor organizations the efforts of the board would have been unfruitful. With the single exception already referred to, both sides to controversies have exhibited a spirit of fairness and of conciliation which has made reasonable adjustment of disputes possible. In that case, neither the railway officials nor the representatives of the labor organi-

zations yielded in any wise to the endeavors of the mediators. The long direct negotiations between the opposing parties before mediation was attempted apparently had brought them into such deadly conflict that they were impervious to all conciliatory influences. When the existing law was enacted emphasis was placed upon the possibilities of arbitration as a method of settling disputes between the railroads and their employees. As a result of the actual operation of the law, it has become more and more evident, however, that mediation is the leading factor and presents the greatest possibilities for the future. In this our experience has been similar to that of Canada and Great Britain. Sir George Askwith, of the British Board of Trade, who has been so eminently successful as a conciliator in labor disputes in Great Britain, made an investigation in 1912 of the operation of the Canadian Disputes Act. His conclusions verify our own experience by showing that it has been identical with that of Canada and Great Britain:

Discussion with men who have been practically connected with the boards of Canada only endorsed the view that personal experience in this country has given. I found that, in the opinion of several of those who had acted as members of boards, the surest method of securing settlements was by the power given by the act of conciliating the parties, and, if conciliation did not avail, of making recommendations. One chairman, Professor Adam Shortt, so successfully adopted this method that in the twelve or fourteen cases with which he was connected settlements were reached in every instance by agreement.

The Act has been marked by success where the policy followed by Professor Shortt has been adopted.

I consider that the forwarding of the spirit and intent of conciliation is the more valuable portion of the Canadian act.

As a result of the recent eight-hour-day controversy, President Wilson recommended changes in the existing law which would add to the present machinery of the Newlands law the requirement that, if mediation fails, an investigation and report must be had by a board equally representative of em-

ployers, employees and the public, before a strike or lockout can be legally declared. It is not thought that the strength of this proposal is in the penalties attached to an illegal strike or lockout. As Sir George Askwith and other students have stated, the restrictive or coercive features of the Canadian law have not been effective. The same assertion is also made relative to compulsory features of the Australasian laws. The real value of the addition of the Canadian idea to existing legislation in this country lies in the further means it will afford for intervention for the purpose of mediation and conciliation. If the ordinary course of mediation fails, a further opportunity will be given for conciliation in the light of investigation. If, under these conditions, mediation again fails, a further recourse to peaceable adjustment will be had under the existing law by means of an arbitration agreement.

From this brief outline of the general work and experience of the United States board of mediation and conciliation, it may be fairly deduced, so far as any value may be attached to my personal opinion, that the time and occasion have not yet arrived when the principle of compulsory arbitration should be attempted by legislative enactment. Indeed, it is a subject of grave doubt as to whether compulsory arbitration will accomplish the purpose of its enactment. It is not yet claimed even by the advocates of compulsory mediation in those countries where it has been adopted, that it is a solution of the problem. Whether this is due to faults of administration, to inherent defects in the laws, or to the lack of positive social sanction, I do not know. Are not the principles of mediation and compulsion antagonistic? Can there be successful mediation where the parties are compelled by law to mediate? Does not the idea of mediation involve the idealism of voluntariness? These are questions to be seriously considered in any movement toward compulsory mediation. The drift of sentiment seems, however, to be in that direction. We should be careful, however, that we do not destroy the spirit of mediation that has been so potent a factor in the unparalleled results standing to the credit of our federal conciliation laws.

As in Gregorian music, the main part of the melody, lying

between the intonation and the ending, is what the great composers have called mediation, so in this conflict between employer and employee, which some choose to call a conflict between capital and labor, with all its discordant notes, there is a wide range between the commencement and the ending of a labor controversy, involving corporation costs and human happiness, for conciliatory movements by disinterested performers under the guidance and sanction of federal authority and in the interest of the public welfare, to play upon those strings of feeling and sentiment not unknown, or even unfamiliar, to capitalist and wage earner to produce the harmony of industrial peace.

## THE CANADIAN INDUSTRIAL DISPUTES ACT

VICTOR S. CLARK

**T**WENTY-TWO years ago traffic upon some of our largest western railways was interrupted or suspended by a widespread and protracted strike. Business was seriously affected, millions of dollars were lost by the disputants and the general public, and mob violence for a time threatened the very foundations of government. Finally order was restored and necessary intercourse was resumed under the protection of federal troops. A United States strike commission was appointed to investigate this disturbance and to advise measures for preventing a similar calamity in the future. This commission recommended that lockouts and strikes upon railways engaged in interstate commerce be prohibited by law until the grievances at issue had been officially investigated, and the public had been informed why its own rights and interests were to be so seriously violated. The present year a strike that promised to be even more extended and disastrous than the one in 1894 impended. Congress had not yet provided an adequate remedy for such a crisis, and the lessons of the previous episode had been forgotten. Therefore again, twenty-two years after the strike commission of 1894 reported, the President of the United States was called upon to protect vital national interests from industrial warfare; and he repeated in his appeal for aid to Congress the recommendation made by President Cleveland almost a generation ago, that lockouts and strikes upon railways engaged in interstate commerce be made illegal, unless preceded by a public investigation.

Meantime Canada, whose industrial conditions are almost identical with our own, had grappled resolutely with this problem. Ten years ago a bitter and prolonged coal strike in Alberta deprived the western provinces of fuel; so that as winter approached, prairie settlers could not heat their homes, public schools were closed, and industries using steam power curtailed or suspended operations. What the anthracite coal

strike of 1902 was to our eastern states, the strike of 1906 was to the people of the Canadian northwest. This private disagreement of a small group of employers and workmen so threatened the welfare of that entire region that the Dominion government was forced to intervene; and partly by moral suasion and partly by the power of public opinion it finally compelled a settlement of the dispute and a resumption of coal production.

Unlike the United States after the great railway strike of 1894 and the anthracite strike of 1902, Canada at once took positive steps to prevent or control similar crises in the future. In recommending a law for this purpose, Mr. Mackenzie King, then deputy minister of labor of the Dominion, thus stated the guiding principle of such legislation: "In any civilized community private rights should cease when they become public wrongs." I should like to make that statement the text of my remarks; for it defines the only ground upon which the public is entitled to interfere in a mandatory way with the negotiations between workers and employers.

The measure Canada adopted went beyond voluntary conciliation and arbitration laws, which were already on the statute books. Such laws had been enacted also in the United States, and in both countries they had been of service; but when most needed they had failed in Canada as completely and as conspicuously as they failed in our own great railway dispute last summer.

On the other hand, the government was not ready to adopt compulsory arbitration, such as is in force in New Zealand and Australia. Let me repeat that the Canadian industrial disputes act is not a compulsory arbitration law, because that erroneous opinion seems to prevail widely in this country. Canada's purpose was not to compel the parties to a dispute to accept a government decision, nor to regulate by official mandate the working conditions of any class of labor; its purpose was limited to forbidding lockouts and strikes that directly affect the public welfare until their causes have been authoritatively investigated, and have been made known to the people who will suffer through them. In connection with



this investigation, the law provides machinery not essentially different from that established by earlier conciliation acts in both Canada and the United States, to assist the disputing parties in a voluntary and friendly settlement of their difficulties. The conciliation features of the act of 1907 were not novel, but were mainly a re-enactment of previous statutes; while the compulsory investigation features were at that time practically new in American labor legislation.

The jurisdiction of the law extends only to industries that serve immediately the general public. These embrace railways and transportation lines, yard and wharf labor, telegraphs and telephones, power, light and traction companies, and mines. Workers and employers in any industries not directly included within the act may by mutual agreement apply to have their difficulties investigated and adjusted under the same law; but this is merely using its machinery for purposes called for by any conciliation statute. Recently as a war measure the jurisdiction of the act has been extended to munition workers and others employed in war industries; but this is a temporary expedient in an extraordinary emergency, to be justified on the same grounds as the original law. In a word, the operation of the act is confined to industries where a cessation of labor would cause more damage to the general public than any prospective advantage to either party in the dispute would compensate. The law attempts to apply the principle of the greatest good to the greatest number.

No change in the labor conditions of these industries can be made without thirty days notice. If either employers or workers object to a proposed change they may apply to the federal Minister of Labor for a board of investigation and conciliation, showing that a lockout or strike will occur unless the points at issue are settled. Thereupon the minister, after assuring himself of these facts, appoints a board for that particular dispute. This board consists of three members, one of whom is nominated by the workers and another by the employers. These two select the third member, or if they fail to agree the Minister of Labor appoints him. The third member is chairman of the board. Please note that the board is not

a judicial body or a non-partisan umpire, but an investigating and conciliating agency containing representatives of both sides of the controversy. However, no person having a direct money interest in the business affected by the dispute is eligible to membership.

Wide latitude is given the boards in their method of conducting an investigation and bringing the opposing parties to an agreement. They have the powers of a court to summon witnesses, to require the production of books and papers, and to take testimony under oath. They may personally inspect works and factories concerned in a dispute and interrogate employees. Most cases referred to boards have been settled without a disagreement. But if the parties cannot come to terms the board reports its findings, which need not be unanimous, but may consist of a majority and a minority report, or conceivably of three individual reports. These contain a statement of the grounds of the dispute, an opinion as to the justice of the respective claims presented, and recommendations for a settlement of the points in controversy.

Pending the investigation a lockout or strike is prohibited under penalties ranging from \$100 to \$1000 a day for lockouts, \$10 to \$50 a day for striking, and \$50 to \$1000 for inciting or aiding an unlawful lockout or strike. But after a board has reported, employers may lock out their employees, or workers may strike, if they wish to do so. The only exception to this rule is when both parties have previously signed a formal agreement to abide by the decision of the board. In that case they can not break their contract.

This summary review of the main provisions of the act necessarily omits many details that are important in its practical working, but that can not be discussed in a short paper without obscuring the law's leading principles. The two features that chiefly distinguish the industrial disputes act of Canada from the Erdman law and the Newlands law in our own country, are the compulsory investigation of certain labor controversies and the prohibition of lockouts and strikes pending that investigation.

More than nine years have elapsed since Canada placed

these provisions on the statute books. Up to the 18th of last month 212 disputes had been referred for adjustment under the law, and 21 strikes had occurred; so that about nine out of ten disputes were settled without stopping work. Of these 212 disputes, 167 were reported on by boards or settled through their mediation, and the others were terminated before boards were organized or while the disputes were still under investigation.

If we classify these references by industries, during the first nine years of the act 75 boards were appointed in railway disputes, and in all but six of these strikes were ended or averted. City traction lines were involved in 21 references, only two of which terminated in a strike. Only one out of nine cases of labor difficulty upon municipal works caused a stoppage of labor. Eleven shipping disputes, two upon telegraph lines, two upon telephone lines, and three affecting light and power companies, were settled without a single interruption of employment. On the other hand, out of 43 disputes in coal mines, six resulted in strikes; while in metal mining only eight out of thirteen controversies referred to boards were amicably adjusted by them. The act has not been so successful in mining as in transportation and other public service industries, partly because popular sentiment is less intelligently informed and less actively interested in mining controversies than in those more immediately affecting the general welfare. Moreover the figures quoted, which are taken from official reports, must be qualified by the fact that labor difficulties not here recorded have occasionally ensued where the application of the act has been doubtful, or after a board has reported and its findings have been accepted by one or both of the parties.

Furthermore, a mere enumeration of disputes, without regard to the relative importance of individual controversies, gives little information as to the real service of the act. One big dispute ending in a strike may outweigh many little difficulties settled amicably. Statistics can not measure the respective importance of averted and actual strikes, because the duration and extent of a potential strike are matters of conjecture. As a rule, however, the larger the threatened disturbance, the harder it is to handle; and it is in the field of big

strikes that legislation of this character usually makes the poorest showing. Probably the number of employees involved in strikes that have occurred in Canada either in violation of the industrial disputes act, or legally under that act because workers refused to accept the findings of a board, averages larger in each difficulty than the number involved in disputes that were successfully adjusted. Nevertheless, no great strike affecting immediately the public welfare has paralyzed the industries of Canada since this law went into operation.

Illegal strikes are of two kinds, those started in ignorance of the law or in doubt as to its application, and those in clear defiance of government intervention. The few strikes that have occurred in open contempt of the act were not in disputes where the outside public had much interest at stake, and usually were to be explained by some local condition that prompted irresponsible men to impulsive action. Some years ago the United Mine Workers in western Canada struck in violation of the law, but later they themselves applied for a board, which was granted and settled the difficulty. Similar strikes have more recently occurred among coal miners in Nova Scotia, where there is a long standing jurisdictional fight between a union that favors the act and one that opposes it. In case of such violations the government may prosecute the offenders; but in practice it generally leaves the enforcement of the penal features of the law to the aggrieved parties in the dispute. As might be anticipated, neither employers nor workmen often care to assume the trouble and expense of court proceedings. One employer has been fined for an illegal lockout; a few union officials have been fined for inciting strikes; and an agent of the United Mine Workers has been convicted both in the lower courts and on appeal for paying strike relief to members of the union who had violated the law. However, no effort has been made in the past to punish a large body of men for striking.

This raises the question of the value of the penal provisions of the law. It is argued that if the act does not put strikers in jail and subject offending employers to heavy fines, these provisions are useless. But even though violations are seldom

prosecuted, neither strikers nor employers dare to defy the law of the land in disputes prominently before the public and affecting the prosperity and comfort of a large body of citizens. By doing so they would put a powerful weapon in the hands of their opponents, and they would fatally prejudice their case in the high court of public opinion.

The original statute was amended in 1910, and a bill revising and extending its provisions has been prepared and will probably be brought before Parliament at the close of the war. Both the amendments already made and the proposed revision are designed chiefly to simplify and expedite procedure and to hasten decisions. Another projected change would permit municipalities to apply for boards in disputes that threaten the welfare of their citizens, though the municipal government is not a party to the controversy. It is also proposed that the government, where requested by both parties, shall register collective bargains or industrial agreements entered into by workers and employers, whether made through a board of investigation and conciliation or without government mediation, and that when so recorded these agreements shall be enforceable by law. The new bill also provides that boards may be reconvened for the purpose of interpreting their awards. Recently when a serious strike seemed imminent on the Canadian Pacific railway another defect in the present law appeared. This dispute was investigated and reported upon by a board of investigation and conciliation in 1914, just as the war broke out. The employees refused to accept the board's recommendation, but deferred striking on account of the war. The present autumn, two years after the findings of the board of 1914 were published, they claimed the right still to strike on account of their rejection of the previous report. Happily this controversy was settled without an interruption of traffic; but the law ought to limit the period after a board reports during which a lockout or strike may be entered into without a second investigation.

Some years ago, while this legislation was still new, I was twice commissioned to investigate its operation for our government. Since these two visits, which extended through nearly all the provinces of the Dominion, I have had little opportu-

ity to interview workingmen and employers directly affected by the act. At that time it was commended by the general public, by employers, and by the mass of working people; but it evoked criticism from some labor leaders. However, these objections were to details of the law rather than to its fundamental principles. When the amendments of 1910 were before Parliament, the Minister of Labor read letters from the legislative representatives or other high Canadian officers of the brotherhoods of locomotive engineers, of locomotive firemen and enginemen, of railway trainmen, of maintenance of way employees, and of the order of railway telegraphers, all commending the existing law and the proposed amendments. The president of the brotherhood of maintenance of way employees characterized the act as "one of the best pieces of legislation that has been passed to my knowledge in the interest of industrial peace." Sir George Askwith, who investigated the working of this law for the British government late in 1912, stated in his conclusions:

I was struck by the remarkable difference of attitude displayed by railway union officials generally, as compared with some of the trade-union leaders in other trades. The former appeared to recognize that the holding up of a railway system by a strike was a procedure only justifiable as a last resort, and that it was due to the public that every possible step be taken to arrive at a settlement before recourse was had to a strike as a measure of adjusting differences. The result of this attitude has been that the Canadian railway unions . . . have frankly accepted the spirit of the . . . acts, and apply as a natural course for boards of investigation and conciliation when difficulties that threaten to become serious arise. . . . At the meeting of the trade-union congress that I attended at Guelph, it was the officials of the railway unions who spoke most strongly in defense of the act. . . . The acceptance of the theory that the public have a right to be informed impartially of the merits of the questions which gravely threaten their well-being, and of the spirit of the acts, has been so far adopted by those concerned with the Canadian railway system as to place the country in almost as safe a position against a serious stoppage as it is possible to reach.

Recently the trade-union congress of Canada passed a resolution asking that the law be repealed. During the Senate hearings upon the eight-hour law for train operatives, passed

by Congress last September, Mr. Garretson, president of the Order of Railway Conductors, and Mr. Gompers, president of the American Federation of Labor, strongly opposed similar legislation in the United States. The influence of organized labor this side of the border is said to account for some of the opposition to the act in Canada. International unions have their headquarters in this country, and their officers do not like to give up the right to call a strike in Canada, if necessary in order to enforce demands upon employers in the United States. Moreover union leaders want the power to call sudden strikes, and claim that the Canadian act gives employers time to strengthen themselves against labor outbreaks. But no great strike, especially upon railways or in other industries of national importance, can now occur without preliminary negotiations that sufficiently warn employers in advance of impending trouble. Any union that called a strike affecting widely the general welfare without first attempting a friendly settlement of its difficulties would be defeated by public opinion. My own experience with workingmen has been that opposition to government mediation is stronger among union leaders than among their followers. Strikes are like wars; they open opportunities for prominence and distinction to the officers who lead them, but only hardship and suffering to the rank and file who fight them. Still, the distrust with which workingmen regard laws to control their relations with employers is very deep. It is founded on an inherited memory of ancient abuses of authority, and upon an instinctive conviction that the workers themselves are the only sincere defenders of workers' rights. A law upon Canadian lines would need to be very liberally drawn, very tactfully administered, and very leniently enforced to win the confidence and support of American labor. Nevertheless legislation in this direction is demanded in the United States by the interest of all the people. The general right of workers to better their condition by any means not detrimental to society as a whole is sacred. But the private right of any group of citizens, whether employers or employees, to impose its demands by unregulated force should cease as soon as it becomes a public wrong.



## COMPULSORY ARBITRATION IN AUSTRALIA AND NEW ZEALAND

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**A** TWENTY minutes' discussion of compulsory arbitration in the Australasian colonies of Great Britain will have to neglect details and give scant attention to the historical development. Furthermore, differences in the legislation of the various states, even important differences, will have to be ignored, for the most part, and the systems treated as though they were uniform. Only a brief description of the methods employed will be given, and in reporting the practical results of the laws, broad generalizations will have to be made with but little reference to the evidence which would support them.

Compulsory arbitration in one form or another exists in New Zealand and in all the Australian states except Victoria and Tasmania, which regulate the relations between employers and employees by means of wages boards but do not undertake to prohibit strikes, except that there is a clause in the Tasmanian law forbidding strikes against attempted enforcements of the wages boards' determinations. Compulsory arbitration is also the method employed by the government of the Commonwealth of Australia in endeavoring to settle industrial disputes "extending beyond the boundaries of any one state." Although some states have only recently adopted the system of compulsory arbitration, it may be worth while to point out that no state having adopted it has seen fit to abandon it and all the earlier states to enact compulsory arbitration laws have, within recent years, revised their laws in the direction of making them more comprehensive.

In spite of the fact that most people who talk of the Australian method of dealing with industrial disputes place emphasis upon the feature of compulsion, all the states having

arbitration courts endeavor to make the fullest possible use of either mediation or conciliation, and sometimes of both, before proceeding to the more radical plan of referring disputes to the court for a hearing. Most disputes are in fact settled without the necessity of a formal hearing by the court and the success of the conciliatory method is universally admitted. Mr. Alexander Stewart, the industrial registrar of the Commonwealth court, says that the clause in the Conciliation and Arbitration Act which authorizes the judge to act as mediator is "the most useful provision in the act," and Mr. Justice Higgins of the High Court of Australia, who since 1907 has presided over the Commonwealth arbitration court, has said:

"In connection with my arbitration court, in particular, much of my best work has been done in quiet conference behind the court, procuring agreements without arbitration." The same method of having the judge of the arbitration court serve as a mediator before proceeding to a formal hearing of a dispute is used in Western Australia, in South Australia and in Queensland, and apparently with good results.

In New Zealand and in New South Wales there are conciliation commissioners, who, on receiving notice that an industrial dispute has arisen, proceed at once to the scene and endeavor to secure a voluntary agreement between the parties. If they fail in this, the commissioner has the authority to summon the parties to attend a conference at which he presides and in which he endeavors to reach a solution of the difficulties by the method of conciliation. The disputants need not wait, however, for the commissioner to take cognizance of the dispute. Either of them may make application to have the dispute heard by a conciliation council and this is the usual method followed. Both the applicants and the respondents nominate the persons whom they desire to represent them in the council and, unless there are serious objections to these persons acting, they are appointed by the commissioner. With minor exceptions, no person may serve in this capacity who is not himself actually engaged in the industry concerned, either as an employer or as an employee.

These conciliation councils in New Zealand are the most successful agencies for the regulation of industrial relations and the prevention of strikes with which I am acquainted. The parties to the dispute gather around a table and discuss in a thoroughly informal manner the claims made by the applicants. Any person having an interest in the matter has a right to be heard in person or by means of a representative, but attorneys may not appear and no effort is made to follow legal methods of procedure. The commissioner who presides has no vote but he has the authority to continue the negotiations until he has reason to believe that no agreement is possible. He is constantly on the lookout for weak points in the argument and when a deadlock occurs, he is likely to ask the representatives of one of the parties to retire from the room while he talks matters over with those who remain. At such times he does not hesitate to inform them of the weakness of their position, as he sees it, and he urges them to make concessions rather than to have the case go to the arbitration court.

The success of the New Zealand conciliation councils in settling disputes is shown by the statement that from January 1, 1909, when they began their work, down to March 31, 1915, the councils had dealt with 694 disputes. Of this number, 466, or approximately two-thirds, were fully settled in council, 130 more had been substantially settled there, with only a few points on which an agreement had not been reached to be referred to the court, while in only 98 cases, or about one-seventh of the total number, was it impossible to settle the main difficulties and the whole dispute had to be referred to the court. It would, however, be a great mistake to conclude that this happy experience which New Zealand has had with conciliation shows that the arbitration courts were not needed. The truth of the matter is that the one great reason why the conciliation commissioners have been able to secure so many voluntary agreements from the disputants is that these disputants realized that unless they did reach an agreement, the dispute would go automatically to the arbitration court for settlement. Experience everywhere shows that the parties to a dispute prefer to settle their own differences rather than to have the intervention of a third party.

Conciliation has this further advantage over arbitration: it is more flexible and can be easily adapted to a given set of conditions, since the parties who make the agreement are familiar with the technical and trade conditions of the industry and are less guided by precedents than a court would be.

Although conciliation has accomplished many useful results in New South Wales under the present law, which dates from 1912, its success there has been less noteworthy than in New Zealand. The most of the failures have been in the mining districts. All students of industrial relations know that controversies over the wage bargain are more frequent among miners, the world over, than among other workers. A full explanation of this fact would involve many elements, but it may be said that the most important reason is that working conditions in the mines, different from those contemplated at the time the agreement was entered into, make their appearance at any time and in the most unexpected manner and are constantly giving rise to different interpretations of the working agreement. When the last arbitration law was passed in New South Wales, the government undertook to meet this situation in the mining districts by providing special conciliation committees for the mining industry, but they do not appear to have lessened the number of strikes. Industrial peace is apparently not a by-product of coal mining.

In all the Australasian states having the system of compulsory arbitration, the voluntary industrial agreements made by employers and employed are given full recognition in law and, when registered, have the same binding force as do the awards of the courts. Many such agreements, including those made in the conciliation councils, are found in all the arbitration states. It has generally been found desirable to have these agreements submitted to the arbitration court for its approval and possibly for revision. This revision does not undertake to change the terms of the agreement, but it may be desirable for the court to use its own phraseology for some of the clauses. The court may later have to interpret these agreements and it is important that their meaning should be made clear. The court is also interested in seeing that industrial agreements do not overlap or conflict with existing awards.

When both mediation and conciliation have failed to secure a voluntary agreement between disputants, the industrial dispute goes to the arbitration court for a hearing on its merits and for the making of an award which is made binding on both parties for the period covered by the life of the award, or until the award is superseded by a new award or industrial agreement.

In every state the arbitration court is presided over by a judge of the highest court or by one who has equal rank. In New Zealand a representative of the employers and a representative of the workers, chosen by their constituents, sit as members of the court with the judge and have equal authority with him in determining the matters in controversy. In the Australian courts the judge sits alone, though he may ask for assessors representing both sides to the controversy to sit with him and advise him in regard to technical industrial matters. In practice this is seldom done.

In all the arbitration courts the effort is made to simplify the proceedings before the court. The usual rule is that attorneys may not appear, but this has resulted in the development of what may be considered as a class of laymen attorneys, the secretaries of the trade unions and of the employers' associations, who are thoroughly familiar with the arbitration law and with the previous decisions of the courts, and who, because of their thorough familiarity with the technical matters of the trade concerned, are able to argue the case with more skill than could the lawyers. The judge himself always takes an active part in the proceedings, questioning closely the witnesses in regard to matters in which he is in doubt and, what is perhaps equally important, cutting short or refusing to hear evidence which appears to him irrelevant or with which he considers himself thoroughly familiar.

When the case has been heard and a decision reached, it takes the form of an award which covers all the matters in controversy and which binds not only the parties to the original dispute but all other employers and employees in that industry or trade who are either named in the award or who carry on their business within the area designated by the award. Fre-

quently the award covers the entire state or, in the case of the awards of the Commonwealth court, the whole of Australia. It may at first thought seem suprising that an arbitration award should undertake to bind employers and their employees when they have not participated in the dispute and may have had no disagreement whatever. A little consideration of the matter will, however, show that this is one of the inevitable consequences of compulsory arbitration.

To make an award which fixes the wages to be paid, the hours to be worked and many other conditions of employment, binding on certain employers in the industry and not on their competitors, would give the latter great advantages and might easily mean the ruin of those bound by the terms of the award. The attempt is made to deal justly with all by giving to all persons likely to be affected by an award an opportunity to present their claims and objections at the time the case is heard.

The industrial agreements ratified by the arbitration court and the court's own awards cover all the matters complained of by the parties who have sought a hearing which unless settled will, it is claimed, lead to a strike or a lockout. Of necessity this means a good deal of interference by the courts with the conduct of industry. The contractual relationship which usually exists between employers and their employees is a good deal disturbed, and indeed some able lawyers and judges have asserted that freedom of contract in industrial relations no longer exists under compulsory arbitration. This is a situation not contemplated by the men who framed and by those who voted for the first compulsory arbitration laws; yet no other outcome was possible. These laws and the awards of the arbitration courts have resulted in the most complete system of industrial regulation which the modern world had ever known prior to the outbreak of the present war. To my mind this is the most important fact to be taken into consideration by those who are interested in the subject of compulsory arbitration. The success of the scheme is far more dependent on the wisdom of this mode of regulating industry than it is on the answer to the question, does it prevent strikes? That such governmental regulation of industry is a necessary

consequence of compulsory arbitration will be evident if one reflects that for an arbitration court to prevent strikes it must lay down the conditions under which men are to be employed. Its authority must be sufficient to enable it to deal with all those matters which may be made the subject of an industrial dispute. From the New Zealand awards alone I have compiled a list of not less than seventy separate and distinct subjects with which the Dominion arbitration court has been obliged to deal. Some of the matters, such as the right of the workers to demand the discharge of a cook, or the obligation of the employer to give the men an opportunity to smoke, may seem of trivial importance, but if they are regarded by the parties themselves as of sufficient importance to lead to a strike, there is no alternative for the court. It must decide the matter, if it is to perform its function of attempting to preserve industrial peace.

If compulsory arbitration is to succeed in preventing strikes, it must first of all create conditions under which strikes are unlikely to occur. To understand how it does this let us discuss briefly the most important matters which have been dealt with by the courts and see the character of the industrial regulations which they have imposed upon employers.

1. In all industries and trades in which awards have been made (and they include all the important industries and occupations except agriculture and domestic service) the lowest grades of workers have obtained a living wage which has slowly and steadily been raised by the courts as the cost of living has increased.

2. Skilled workers have obtained a minimum wage in their respective trades in excess of that paid to the unskilled workers. This has been intended to compensate the lowest grade of skilled workers and to take into consideration the degree of regularity of employment. No attempt is usually made to fix the actual wages paid to those having superior skill or attainments.

3. The eight-hour day has been established in practically all industries which are not required by the nature of the occupation to continue operations for a longer period. In many

occupations the hours of work have been fixed by the courts at 44 or 45 per week.

4. In all those trades in which the workers are strongly organized—and they now include all the most important occupations—trade unionists have been given the preference in employment over other workers. This grant of preference has been accompanied by the provision that it shall continue to operate only as long as the union is open to any worker possessing the requisite skill and agreeing to pay the very moderate entrance fees and monthly or weekly dues which the court prescribes. Preference to unionists will seem to some in my audience an extraordinary action on the part of a court which is supposed to respect the rights of all workers, non-unionists as well as others, but the system of compulsory arbitration requires that collective bargaining be considered as the normal and usual method of making industrial contracts, and the conditions imposed by the courts do not prevent the man outside the union from securing work nor do they prevent the employer from hiring him. They simply make it necessary for him to join the union.

5. Other important matters covered by the courts' awards are the number and proportion of apprentices who may be employed, the amount of overtime which may be worked and the rate of pay for such overtime, the number of holidays and when they are to occur, hours for meal-time, the character of board and accommodations to be furnished men not living at home, preference of employment to be accorded to workers already employed when new machinery is introduced, seniority in promotion, *etc.*

To workers generally the system of compulsory arbitration tends to guarantee a fairly high level of earnings and moderately good working conditions, which may not be so good as strongly organized bodies of workers could obtain without the support of the law but which are better than most laborers would obtain without some scheme of industrial regulation. Personally, I am not convinced that these wages and working conditions are better in the arbitration states than in the State of Victoria, which regulates wages and hours by means of



wages boards and does not undertake to prohibit strikes. But if I had to choose between compulsory arbitration and the industrial anarchy which exists in many places in this country, I should unquestionably prefer compulsory arbitration, because I should know that the lowest grades of workers could obtain by it comfortable working conditions and at least subsistence wages.

To the employer the greatest advantage of compulsory arbitration lies in the fact that if he is willing to pay good wages and provide good working conditions, he will be able to do so without having his competitors undersell him because of their less favorable working conditions. The standards set by the court will be applicable to them as well as to him.

How far the system of compulsory arbitration has lessened strikes is a question which can not be answered from statistics alone, nor do all the states show the same results. It is certainly true that compulsory arbitration has not put an end to strikes, as the book written by Mr. Henry Demarest Lloyd in the early days of the New Zealand system caused some people to think. The expectations aroused by that account were entirely too sanguine and were not reasonable. Few laws succeed in curing entirely the evil which they attempt to prohibit. A strike is nothing more than a concerted refusal of men to continue at work under what they consider unsatisfactory conditions, and although strikes bring undoubted inconvenience to the public, which is warranted in trying to prevent them, most men are likely to think that a refusal to continue at work under unsatisfactory conditions is not a very serious offense, even if the law does impose penalties upon such action.

The best cure for strikes is, as has already been stated, to provide conditions under which men have no incentive to strike, because they could not hope to obtain better conditions than those which the law has provided. Where the Australasian laws and awards have succeeded in providing such conditions, strikes have ceased; where they have failed to give satisfaction, as in the mining regions of New South Wales and Western Australia, strikes have continued in

spite of legal prohibitions. All the drastic penalties which the law has provided against strikers in these states, such as imprisonment of the strike leaders and heavy fines on individual strikers, have failed of their purpose. Wherever they have been imposed they have failed to meet the approval of the public at large, and the laws which provided these penalties have been repealed. Moderate fines on individual strikers and somewhat heavier ones on the unions which have initiated or supported the strike have met with approval and have perhaps exercised a deterrent influence on strikes. More effective than any of these penalties is the action recently taken by the courts in canceling the awards when the workers violate their terms. These awards, as we have seen, grant very considerable privileges to the workers and are easily made obligatory upon employers. If the workers refuse to accept them, it is felt that they should not be made binding upon employers whose employees have engaged in a strike. The unionists can not eat their cake and have it, too.

In spite of the failure of the compulsory arbitration laws entirely to prevent strikes, New Zealand has certainly had remarkable success in reducing strikes under her laws. Between January 1, 1895, when the first compulsory arbitration law became effective, and March 31, 1915, there were only 53 strikes in New Zealand which came within the scope of the law, which, in that country, applies only to registered unions. Even this statement exaggerates the situation, for 31 of the 53 resolve themselves into two sympathetic strikes of slaughtermen which spread, district by district, throughout the Dominion. There were during these same years 95 strikes of unregistered unions, but these did not come within the prohibitions of the law.

The results attained by the Australian Commonwealth Arbitration Act have been even more remarkable. In May 1914, after the act had been in force for over nine years, and had been used in connection with disputes covering the greatest industries of Australia, and applying to thousands of workers throughout the various states, the industrial registrar of the arbitration court was able to make this statement:

"Up to the date of this report not a single instance of a strike within the jurisdiction of the court had been brought to my knowledge, and I know of no instance in which an award of the court had been flouted either by an employer or employee."

South Australia and Queensland, the latest states to adopt arbitration as a means of regulating industry, have apparently had happy results, few if any strikes having occurred in those states since 1912, when the present legislation was enacted.

The popularity of compulsory arbitration throughout Australia is not to be doubted. This is true even of New South Wales and Western Australia, where strikes still take place in considerable, if diminished, numbers. Employers were almost unanimous in their opposition to the system when it was first adopted, and they still find fault with the administration of the laws. Few of them, however, are willing to admit that they would like to see the system abolished.

In view of the great gains which have accrued to laborers as a result of the arbitration courts' awards, it is not surprising that the majority of trade unionists are loud in their praise of the system. An idea seems to prevail in this country that labor in Australia and New Zealand has turned its back on this system. This opinion seems to be due to the recent strikes which have taken place in those countries, especially the general strike among coal miners and transport workers which occurred in New Zealand in 1913.

To judge from such events that compulsory arbitration has lost popularity with the workers would be as erroneous as to conclude that I. W. W. activities in this country indicate that trade unionists no longer favor collective bargaining. The New Zealand strike of 1913 and many, if not most, of the Australian strikes, have been under the leadership of men who are frankly opposed to the wage system and who have, for the present at least, given their adherence to syndicalism. The steady increase in the number of unions which register under the New Zealand act in order that they may apply for awards in their trades shows that the arbitration system still appeals

to the majority of workers. The many trade-union secretaries with whom I talked in New Zealand and Australia were frankly unable to understand why American trade-union leaders were opposed to compulsory arbitration.

Whether compulsory arbitration will prove to be a permanent feature of Australasian industrial life is a subject which may well lend itself to debate. That some system of governmental regulation of the wage contract will continue as long as the wage system itself continues seems a safe prediction. At present the regulation by arbitration courts seems the most popular method in Australia. To the observer from outside, it seems questionable whether those parts of the laws which prohibit strikes, when no really effective mode of enforcing these prohibitions has been discovered, are likely to persist. As already indicated, however, these provisions have long since ceased to be the significant feature of the arbitration laws and the system as a whole should not be judged solely by its failure to put an end to strikes, even though this was the original purpose which the framers had in mind.

## DISCUSSION OF GOVERNMENTAL MEDIATION AND ARBITRATION

PETER J. BRADY, Secretary, Allied Printing Trades Council:

I am much interested in the papers read by the two gentlemen preceding me, and will say this: Possibly the cause of the friendliness of the Australian workers for compulsory arbitration or mediation is the fact that the law there is administered by its friends, or by persons sympathetic with labor. In reference to Dr. Clark's paper on the Canadian act, I can only say that the last convention of the Canadian Trades and Labor Congress voted for the repeal of the act at the earliest possible moment. That is the expression of the Canadian labor movement. We have one state in this union that has a similar act, namely, Colorado. The act has been in operation in Colorado for only one year, and the last convention of the State Federation of Labor in Colorado decided to work for the repeal of this law also at the earliest possible moment. In the entire convention there was only one vote in opposition to the recommendation of the officers for the repeal of the act.

As a matter of fact, if it came to me as an international officer of a union to recommend to the membership of our organization in Colorado as to whether they would continue employment until an investigation had been made by the state officials, thereby giving the employers an opportunity to recruit new forces to fill their positions, I should not hesitate one moment in saying, "Strike, and strike immediately; and we will then take up the question of any law which takes away from you your rights as free men." That frankly is our position in the matter. We have had trouble enough in securing the enactment of the Clayton law, which we believe clearly defines the position of labor, declaring that it is not a commodity to be purchased over the counter as any package of material that you may go for. We feel that our labor is ours to do with as we see fit.

If the professors in this institution decided to stop working for some cause that appeared just to them you would not favor the law's stepping in, in the shape of a military officer with a club or a gun and a bayonet, and saying, "No, professor, you can't stop; the law says you must go on." After all, you must figure those things out from that point of view. You must bring these questions right home,

directly to yourself, as to what you would do under the circumstances, before you start in to arrive at conclusions as to what other people should do.

In my opinion, the reason why Dr. Clark found the officers of unions in Canada opposed to the Canadian law, but the membership lukewarm, is the same as the reason why you often find professors emphatically expounding certain principles, and pupils a little bit indifferent. The professor has had the advantage of experience and research, the pupils have not. That is the position of the leaders of unions toward the members of their organizations. The leaders themselves have had experience and the members of their organizations have not. The members have to depend upon the research and experience of their officers to advise them as to what is the best thing to do. As a result of this, the officers of unions have arrived at the conclusion that compulsory employment during investigation is not a good thing for our unions in Canada or Colorado, but the rank and file with whom you might discuss this matter have not gone so carefully into the operation of the act itself, and have not formed the same conclusion. But when the test comes, you will find officers and men standing shoulder to shoulder for the repeal of these acts.

The solution of all these industrial disturbances is not in legislative action to compel the workers to continue employment until such time as the government mediators get through rendering either an opinion or a legally binding decision. The key to the situation, in my mind, lies in incorporating in our public schools and colleges a course of study that would carry with it on graduation a conviction that we owe something to one another. As soon as we make up our minds to bring that about, so soon shall we do away with the idea that colleges and other public educational institutions are in the hands of the rich and in the hands of foundations which have accumulated their wealth by crooked means, by cheating and robbing the workers. As soon as you change your course of study so as to teach a system of mutual duties, so soon will you eliminate the large majority of our industrial disputes in this country. If you will do that, you will find the unions co-operating most heartily, and you will find a different status of society in the next generation.

But get it out of your heads just as soon as you possibly can that there is any law in this land or any interpretation of law that is made by judges today that is going to compel me or the members of the union that I represent to work when we do not please to work,

and under conditions that don't suit us. If you were in the same situation, I think you would be of the same opinion, that the law was unfair which said that you must continue work after you had arrived at the conclusion that the conditions of employment were unfair and undesirable and that you were going to quit. I am sure that you would be of the same mind that we are—that the law has no right to compel you to labor where it pleases, when it pleases and under what conditions it pleases. That is frankly the position of our unions.

We believe that to give the law such power would infringe upon our rights and also your rights as free people living in a free country.

PAUL S. COLLIER, Secretary, Oneonta Chamber of Commerce:

As Professor Hammond has shown, Australia's experience of compulsory arbitration has been gained for the most part during a period of industrial prosperity. However, times of depression have come and gone, and industries have not been forced out of individual states because of the legislation in force. In some instances industries have been hindered by the awards in force, notably the boot trades and some others during the early years, but not during the entire time. Nor on the whole can the awards be said to have had a serious effect.

The effect of the legislation upon organized labor is another interesting question. It has often been supposed to have the effect of weakening organization among the workers, but such is not the case in Australia, where the unions are largely instrumental in initiating board proceedings and nominating board members. The law of Queensland is partially due to the insistence of trade unions upon legal regulation. Taking Australia as a whole we find that, according to Mr. Knibbs, the Commonwealth statistician, the estimated membership of all unions increased from 54,888 in 1891 to 97,174 in 1901. Wage regulation during this period was at a minimum. But from 1901 to 1912 the number of union members increased from 97,174 to 433,224. This increase has been accompanied by the concentration of members into larger unions. Federated unions, encouraged by the Commonwealth act, are increasing in number. In New Zealand, under compulsory arbitration, organization has been especially encouraged. The membership of the employees' industrial unions increased from 8230 in 1896 to 71,544 in 1913. Likewise, in Western Australia and New South Wales, where trade unions are registered under the arbitration act, unionism has been strengthened and consolidated.

It should not be inferred that the organization of labor has been the only result. There has been a similar organization of employers into unions and associations, the purpose of which is to resist and thwart the demands of labor. The formation of combines to regulate prices has also been stimulated to some extent. Furthermore, it must be said that the working men themselves are apt to lose something of the consciousness of class solidarity, of community of interest, of dependence upon their own economic power. They are inclined to rely upon the legislative efforts of their representatives to secure better conditions. Whether or not this is a desirable condition depends upon one's social and economic ideal, but it is a fact to be recognized, and a fact regarding which there are more or less well-defined fears in American labor circles.

As to the effect of this legislation upon industrial peace, it is notable that where there has been the least compulsion, where conciliation has been employed, the greatest results have been secured for peace. Arbitration has served to repress strikes, but it has not abolished them. The general trend of events has been much the same under compulsory arbitration as under wage boards. Since 1905, in New Zealand, the number of strikes has steadily increased until in 1913 there were twenty-three, twenty-one of which were settled in favor of the employers. During the year 1914 occurred one of the most serious upheavals since 1890. Clearly compulsory arbitration did not do away with strikes. It should be noted, however, as Prof. Hammond pointed out, that the most serious disturbances occurred among mining and transport workers, classes especially averse to compulsory arbitration.

Experience in New South Wales has been much the same, but taking the states as a whole, extensive industrial disturbances have been comparatively infrequent. In Victoria, hardly more than half a dozen strikes occurred against the determination of the wage board, the most serious of which took place after a court of industrial appeals had lowered the wage fixed by a board. Not a single strike or lockout was declared against an award of the Commonwealth court up to 1915, a fact partially explained by the custom of Mr. Justice Higgins to secure the promise of the parties to stand by an award, if made.

It is clear that the most potent fact making for industrial peace in recent years is the resort to conciliation. Conciliation has been highly successful in both New Zealand and New South Wales. Victoria and Tasmania, whose wage boards operate with the least



compulsion, are the only states in Australia which do not have some provision for such measures. It is evident that in agreement rather than in compulsion lies the road to industrial peace. The fundamental weakness of a judge-made and commonly accepted standard of wages lies in the fact that if it does not advance in response to the demands of labor, a strong and insistent body of workers is prone to disregard it. It is fair to say that strikes and lockouts have been restricted, but judging from the experience of Australia, no compulsory measures can prevent them.

Consequently our most feasible means of progress is along the line of mediation rather than arbitration. When a difficulty gets to the status where it must be arbitrated, it is frequently too late to do anything effective. If it can be got at in its early stages, a solution is much more likely to be brought about. Both employer and employee must lay their cards face up on the table. The public interest is the supreme thing, and private interest, especially in the great industries with which the public is concerned, must give way before it. If each side will meet the other in a free, frank way, men who understand the industry from the employer's side and from the laborer's side, they can do much more than can a third party. In the smaller communities and in the larger cities as well, commercial organizations can do much in bringing the parties together upon a mutual basis of agreement.

## THE OBJECTIONS OF ORGANIZED LABOR TO COMPULSORY ARBITRATION

W. S. CARTER

President, Brotherhood of Locomotive Firemen and Enginemen

**I** HAVE been requested to make a statement, wherein will be set forth the objections of organized labor to compulsory arbitration. I shall aim to set forth the views of organized labor, and not simply my own ideas. In fact, some of the objections may be far more radical than I personally should offer. The objections that I shall offer are specifically objections to compulsory arbitration, and may or may not include objections to the Canadian Act or similar laws upon the subject. You will notice that in my remarks I refer to the mental attitude of the arbitrator and state that as a basis of objection to arbitration; in fact, as evidence that arbitration is not an equitable manner of disposing of wage questions, because so much depends upon the mental attitude of the individual whose judgment is asked. I ask special attention to this point in my paper.

Railroad employees, and all people who work for wages, are opposed to so-called compulsory arbitration because it is but an ill-concealed effort on the part of the master class to deprive labor of its economic power. Under the guise of arbitration it is proposed to fix wages and working conditions by judicial compulsion.

Whenever and wherever by judicial process labor has been controlled, the employer has become a master and his employee a peon, serf or slave; for now, heretofore and hereafter the master class molds the mind of the judiciary. An arbitrator created by law is no less a judge, and where appointed by governmental authority becomes a dictator. Should his dictum be enforced by law his reign is no less that of a tyrant, though he may be a benevolent tyrant.

If by the lavish expenditure of wealth in the purchase of

advertising space in the public press the princes of the master class here in New York have created a popular demand everywhere for a law that will impose involuntary servitude upon employees of railroad corporations, then the constitution is but a piece of putty in the judicial fingers of the master class, to be molded as best accomplishes its purpose.

The American constitution may be cited as the first award of an arbitration of labor's rights. A majority of the colonies represented at the Philadelphia convention had abolished slavery. Most of the delegates regarded the slave institutions with abhorrence, yet the class consciousness of those same delegates caused them to refuse to interfere with the business interests of the employers in the remaining colonies where slave labor was a source of profit to the master class, and slavery was made an American institution by constitutional law. When Patrick Henry in his patriotic fervor called for liberty or death his conscience conceived only of political liberty, with no thought of industrial liberty of the slaves that performed the menial labors of his own household. It may be truly said that until the civil war the American master class maintained the right of ownership in human beings.

In today's issue of one of the leading newspapers of this city I find the following editorial statements:

That labor is a commodity is not a mere legal dictum. According to the dictionaries, anything which is useful is a commodity, and anything which can be bought or sold is an article of commerce. . . . Those who defend the thesis that labor is not property use lofty words.

It is this class-conscious impulse of the master class, and of the thousands who exist or prosper by favor of business interests, that now demands that railway strikes be prohibited. No thought is given to the constitutional rights of labor. The business mind considers only the disaster of a cessation of traffic in profitable commodities.

It has not been long since railway employees favored legal measures for conducting voluntary arbitrations of wage disputes. The first federal arbitration law, known as the Erdman Act, was favored by railroad employees, although opposed as

a dangerous precedent by workers in other crafts. Its successor, the present Newlands Act, was earnestly supported by representatives of railroad employees. Yet practically all railroad employees now look upon the law with fear and suspicion. They have learned by bitter experience that arbitration under the federal law is not fair to the employees. Through disastrous arbitrations they have discovered that this insidious class consciousness of business interests permeates our whole social structure. They have learned that in the selection of arbitrators only those of the master class, or sympathetic therewith, are eligible, and that a financial interest in the results of an arbitration better fits a man to serve as arbitrator.

I might compare the arbitration of disputes between master and servant to a like process of adjusting political questions and religious contentions. Bloody wars have been fought to decide disputations arising out of the divinity of our Saviour. Just as equitably could this religious issue be decided by compulsory arbitration. Just as difficult would it be to secure an unbiased award. A Christian arbitration board would sustain and a Hebrew arbitration board would reject the divinity of Christ, and the one would be just as sincere as the other. It may be said that when a congressional campaign is fought principally upon the tariff issue, it is but an arbitration of the question, the millions of voters being the arbitrators, and the result of the election being the award. But the award made in this manner does not decide that a protective tariff is just or unjust. The result of the election shows only how many voters believed that their personal interests would be benefited by a protective tariff.

If the eight-hour day, questions of wages and other such controversies are to be adjusted by arbitration, and there is an earnest desire to secure an unbiased award, no person connected with or in sympathy with the workers or the servant class would probably be appointed as a "neutral." No person connected with the employers or in sympathy with the master class could be truly neutral. Now that the master class provides princely sums for endowment and pensions in the great educational institutions, we find learned men sum-

marily discharged for partisan leanings toward the servant class. Who is there left?

In the last arbitration conducted under the present law we found a gentleman selected as a neutral arbitrator whose social, business and political standing was such as gave credit and distinction to the proceedings. Subsequently, but before the award was made, we discovered that as trustee or director he had great financial interest in the matter he was to adjudicate. We learned that as director of one trust company he held \$12,500,000 of first mortgage bonds of one of the railroads party to the arbitration. In similar manner vast amounts of securities of the railroads interested in the arbitration were owned or controlled by financial institutions with which he was officially connected.

Having knowledge of his utter lack of sympathy for the contentions of the employees, we filed a protest with the federal board of mediation and conciliation against his continuance on the arbitration board. In reply we were informed that "a knowledge of that fact would have been favorable rather than otherwise to his appointment, and nothing has been brought to our notice since his appointment as an arbitrator which, in our opinion, disqualifies him as an arbitrator."

A public opinion has recently been created through the lavish expenditure of money by a *junta* of railroad financial interests, with their headquarters in this city, that makes it almost impossible for railroad employees to secure justice through any tribunal. In their efforts to convince the American people that railroad employees should not secure an eight-hour day, we have reason to believe that many millions of dollars were expended in an attempt to suborn the public press of the nation. We have evidence that in this publicity campaign these railroad financial directors employed the advertising pages of more than 3000 daily and more than 14,000 weekly papers. Before these millions were poured into the advertising coffers of these newspapers, many were friendly to our cause and a majority were at worst neutral. Almost immediately the editorial opinions of these same newspapers voiced sentiments similar to those expressed in their advertis-

ing pages. Thus we see that with an effort to impose an arbitration of wage disputes the railroads seek to create a public opinion that will win for them the decision thereunder. If arbitration is to be enforced against railroad employees, the law should prohibit the use of money by railroads in thus "packing the jury."

Aside from the fact that an arbitration award depends almost entirely upon the mental attitude of the so-called neutral arbitrator, an award favorable to employees is never applied justly. In any arbitration of a controversy between railroad employees and their employers the latter administer the award. What would be thought of the effectiveness of a court judgment enforced only by one of the litigants? Yet this is how arbitration awards are put into effect. What are intended to be wage increases are juggled into wage reductions by railroad officials, whose authority in the matter has never been questioned.

To sum up the objections of working people to any form of compulsory arbitration, I may brief them as follows:

(1) It is but a scheme by which the employer hopes to gain a mastery over his employees:

- (a) By making strikes illegal, and thus depriving working people of their only economic power.
- (b) By suppressing labor organization, through depriving them of the power to effect their purpose.
- (c) By creating conditions of labor through judicial process, which process the master class always has influenced and always will greatly influence.

(2) It is but the expression of a selfish desire:

- (a) To avoid the personal inconvenience incidental to all strikes, without regard to the injustice against which the workers are struggling.
- (b) To avoid the financial loss to business interests engaged in production and transportation, regardless of the financial loss that may fall on the workers.

(3) It is but a symptom of the mental and moral degeneration through which all great and prosperous nations have passed when:

- (a) Fundamental principles of individual liberty are forgotten.
  - (b) That for which the founders of liberty were honored becomes a social menace.
  - (c) The struggle for wealth overshadows all else, with consequent disregard for the rights of the working classes.
- (4) It is a deliberate effort to deprive working people of their economic power :
- (a) Through legislation nominally to preserve public peace.
  - (b) Through an artificial public opinion, largely created by those who control the public press.
  - (c) Through a presumption that for public convenience the federal judiciary will find a method of depriving all working people of their constitutional right to escape involuntary servitude except as punishment for crime.

This sums up the objections not only of organized labor, but of all labor against compulsory arbitration. Some of these statements I believe to be extreme, perhaps not founded on fact; nevertheless many, many working people believe them to be true, and so believing, have a right to object vigorously to compulsory arbitration.

Pardon me if I draw a parallel. There is a general public demand that there be no strikes such as to bring upon the country what has been described as disaster; therefore, a law is sought to suppress industrial unrest that may result in these disastrous strikes. That is the theory of all monarchical forms of government with regard to political unrest. If that theory could have been enforced during the war of the revolution there would have been no United States of America. From a British point of view the social unrest that may result from a strike is not comparable with the political unrest that resulted in the formation of these United States. Any effort to secure political liberty would have been suppressed for identically the same reasons and with just as good argument as any effort to secure industrial liberty.

In America we have a democratic form of government whereby presumably every citizen votes his will. I am glad to say that we had many more citizens voting during the last election than ever before. I refer to the women. Therefore, in this country political unrest is perhaps satisfied by the opportunity to go to the polls and change that against which we protest or complain. But in monarchical forms of government, in past centuries, and still today in some countries, no such opportunity was given to the people. The governing class, who have always been the master class, truly believed that they were better qualified to legislate for the masses than were the masses themselves. In order to prevent the masses from attempting to legislate for themselves, they deprived them of all legislative authority; and in order to preserve the peace of the land they shot as traitors any persons who attempted to gain liberty beyond that which the government had accorded them. Now I submit to you that an effort in this country to deprive labor of its economic power to better its condition, receives its impetus in the same desire for peace that has held back the political rights of the human race for so many centuries.

There is a demand among all of us for peace. We would rather suffer untold wrongs than to engage in war, political or industrial. We are so constituted—and when I say “we” I mean the great mass of people—that we would rather see the workers deprived of that which is justly due them than be inconvenienced by a great strike that perhaps may prove a calamity. Whenever a nation reaches that point where the public convenience is used to suppress the individual rights of the people, then that nation has reached its zenith, and is on the downward path. If you and I are unwilling to suffer an inconvenience in order that someone may improve his industrial condition, then this nation has not fulfilled the purposes of those who created it.

If during the present period the American public will agree to an evasion of the thirteenth amendment of the constitution and without protest see railroad employees subjected to involuntary servitude, then I predict that the day is not far dis-



tant when these same peace-loving people will submit to a loss of political liberty rather than make militant protest against that loss. I have not lost faith in the judiciary, as many working people have. I yet believe that an attempt to enforce compulsory arbitration upon the working people of this country, even those that are employed by the railroads, will be frustrated by the Supreme Court of this land. I do not believe that the Supreme Court of the United States will permit an evasion of the thirteenth amendment of the constitution, even though it be for the preservation of industrial peace.

## CONSTITUTIONAL ASPECTS OF COMPULSORY ARBITRATION

THOMAS I. PARKINSON

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EVERY proposal to remedy existing evils by legislation involves, in this country, questions of constitutionality as well as questions of desirability. One of the disadvantages, or it may be advantages, of a written constitution is that some remedial legislation, however much it may be desired even by a majority, cannot be put upon the statute books and enforced until the constitution has been amended or adjusted to authorize it. Compulsory arbitration of industrial disputes, however desirable it may seem as a means of avoiding class bitterness, economic loss and public inconvenience, involves serious questions of constitutionality which must be settled before we can hope to enjoy the benefits expected to flow from the substitution of judicial determination for force in the settlement of industrial controversies.

There is more truth than poetry in the time-honored warning that you can lead a horse to water but you cannot make him drink. Without reference to constitutional guarantees of personal liberty the courts long ago recognized the impossibility of making a man work and therefore refused to attempt it. Courts of equity refuse to grant specific performance of personal-service contracts. The reason lies not in any right of the person to be protected against compulsion, but in the impracticability of such compulsion. Suppose a court ordered performance of personal service in accordance with the terms of a contract. Who could say whether the person so ordered was actually complying with the court's order or practically holding it in contempt by a mere show of compliance? This practical impossibility of compelling personal service by discovering and punishing as contempt the avoidance of the

court's order resulted in the rule in equity that while contracts, the breach of which cannot be adequately compensated by damages at law, will be specifically enforced in equity, contracts for personal service, however extraordinary the service or inadequate the remedy of damages, will not be so enforced.

Nevertheless, equity will and frequently does exert pressure to induce the performance of service contracts. For example, if an opera singer engages to sing for a time for A and not to sing for any one else, equity while refusing to order the singer to perform for A will, by injunction, enforce the contract not to sing for any one else. In other words, the courts are willing enough to exert compulsion indirectly by making it very much to the advantage of the individual to perform his contract.

Practically, it is impossible to compel men to work. We may penalize or abuse quitting, but we cannot compel labor. Even deserters from the army are punished by imprisonment; they cannot be made to perform the service expected of them. It is, however, practicable, if legal, to induce performance by attaching "disagreeable consequences" to the breach of a service contract. Such breaches of contract have always involved liability on the part of the defaulting contractor to respond in damages for the injury done to the other contracting party. The question now confronting us is, Can the stage go farther and punish by fine or imprisonment the person who breaks his labor contract under circumstances which threaten an interruption of a public service involving danger to the lives or the health of the people or serious inconvenience to the ordinary life of the community?

While the phrase "compulsory arbitration" is elusive and indefinite, I think we may assume that any effective system for the arbitration and settlement of industrial disputes involves in some measure restricting the right of the employees to quit work.<sup>1</sup> This fact is recognized by labor-union officials who

<sup>1</sup> The Canadian industrial disputes act and the recent Colorado act prohibit strikes or lockouts pending a public investigation. The New Zealand act not only prohibits strikes and lockouts pending investigation, but makes compliance with the findings of the investigators or arbitrators mandatory on both employers and employees. This is accomplished by punishing criminally the resort at any time to the strike or lockout.

assert that any interference with the right to quit involves involuntary servitude. If so, it is forbidden by the 13th amendment to the United States constitution, which provides:

§ 1. Neither slavery nor involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

§ 2. Congress shall have power to enforce this article by appropriate legislation.

Shortly after the adoption of this amendment a district court of the United States said that the "whites needed no relief or protection and they are practically unaffected by the amendment." But later decisions have made clear that this amendment, like the others which immediately followed the close of the civil war, while primarily intended to secure the liberty and equal rights of the enfranchised negroes, is not limited in its application to any race or class but operates to guarantee personal liberty and freedom from slavery to every person in the country. In *Hodges v. U. S.*, 203 U. S. 1 (1906), the court said:

While the inciting cause of the (13th) amendment was the emancipation of the colored race [nevertheless] it is the denunciation of a condition, and not a declaration in favor of a particular people. It reaches every race and every individual. . . . Slavery or involuntary servitude of the Chinese, of the Italian, of the Anglo-Saxon, are as much within its compass as slavery or involuntary servitude of the African.

Not every interference with the liberty of an individual, however, subjects him to involuntary servitude. In the recent case of *Butler v. Perry*, 240 U. S. 328 (1915), the court said:

This amendment was adopted with reference to conditions existing since the foundation of our Government, and the term involuntary servitude was intended to cover those forms of compulsory labor akin to African slavery which in practical operation would tend to produce like undesirable results.

So it has been held in *Plessy v. Ferguson*, 163 U. S. 537

(1896), that a "Jim Crow" law requiring the separation of whites and blacks on railroad trains involves nothing of involuntary servitude. In like manner it has been held that the denial of equal rights in the enjoyment of accommodations and privileges in public conveyances, inns and places of amusement, though it may interfere with personal liberty, does not involve involuntary servitude. The liberty guaranteed to the individual by the due process clauses of the 5th and 14th amendments is broader but more general than the freedom from involuntary servitude guaranteed by the 13th amendment.

Though not all laws interfering with liberty involve servitude, it seems clear that there can be neither slavery nor involuntary servitude except where such servitude exists in pursuance of law. Every crime committed by one person against another deprives that other to some extent of liberty, but need not involve involuntary servitude. If the law does not sustain the actions or conditions which enable one man to control the movements of another or otherwise to deny him the rights of a freeman there is no involuntary servitude within the meaning of the 13th amendment, however much there may be of crime or tortious wrong. False imprisonment contrary to and punishable under the laws of the state does not subject the person imprisoned to servitude. The alleged kidnapping of laborers and their detention in out-of-the-way labor camps though constituting a serious wrong to the abused workman does not really subject him to involuntary servitude so long as he has a legal right to freedom and redress of the wrong done him. In the civil rights cases, 109 U. S. 1 (1883), the court said: "It is true, that slavery cannot exist without law, any more than property in lands and goods can exist without law."

The question whether the constitutional prohibition of involuntary servitude prevents imposing and enforcing a restriction on the right to strike may be, for convenience, considered from the following points of view:

1. Does the imposing of a criminal penalty for the breach of his contract for service subject an employee to involuntary servitude? In other words, does the threat of criminal punishment held over the worker constitute such compulsion to con-

tinue in the service as to bring it within the prohibition of the 13th amendment?

2. If involuntary servitude is involved in the penalizing of the breach of a service contract can such penalties be brought within the exceptions, if any, from the 13th amendment? And particularly, can justification for such penalties be found in the fact that the person penalized is engaged in or required for public or semi-public as distinguished from private employment?

3. Does the prohibition of strikes, either pending a public investigation or permanently, and the enforcement of this prohibition by a criminal penalty imposed on its violation, subject the men to involuntary servitude? Is the right to strike in the same position as the right to quit work?

Considering first the right to impose a criminal penalty for breach of a service contract, we find opportunity for much difference of opinion. Mr. Justice Harlan dissented vigorously in the case involving impressment of seamen and declared that the proposition that the government can make breach of a voluntary contract of service a criminal offense cannot "be sustained at this day in this land of freedom." Nevertheless, the same judge, in delivering the opinion of the court in *Adair v. U. S.*, 208 U. S. 161 (1907), said:

And it may be—but upon that point we express no opinion—that, in the case of a labor contract between an employer engaged in interstate commerce and his employee, Congress could make it a crime for either party, without sufficient or just excuse or notice, to disregard the terms of such contract or to refuse to perform it.

This seeming difference in point of view with respect to the constitutionality of a criminal penalty for breach of a service contract expressed by the same judge in different opinions indicates the danger of relying too much on general statements rather than actual decisions of the court.

Shortly after the adoption of the 13th amendment Congress passed the peonage statutes (March 2, 1867, Revised Statutes §§ 1990 and 5526) which abolished and prohibited "the holding of any person to service or labor under the system known

as peonage " in any state or territory of the United States, and declared null and void all laws or usages which seek directly or indirectly to establish or enforce " the voluntary or involuntary service or labor of any persons as peons." These statutes have been upheld and enforced by the Supreme Court. They are limited, however, to " peonage " and to detention of persons held as " peons." In *Clyatt v. U. S.*, 197 U. S. 207 (1905), the court said: " What is peonage? It may be defined as a status or condition of compulsory service, based upon the indebtedness of the peon to the master. The basal fact is indebtedness." Again, in *Bailey v. Alabama*, 219 U. S. 219 (1910), it was said: " The essence of the thing (peonage) is compulsory service in payment of a debt. A peon is one who is compelled to work for his creditor until his debt is paid." The peonage statutes therefore cover only that servitude which exists for the purpose of compelling a workman to " work out " his debt to his employer.

The attempt, particularly in the South, to devise a system of compulsory service gave rise to some interesting litigation under these peonage statutes. The system was founded on a service contract for a stated period with an advance payment to or on behalf of the workman. At first it was operated by playing on the fears of ignorant workmen; they were coerced by threats into remaining at work. When illegal threats and punishment proved ineffective, legislation was sought to make the breach of these contracts a criminal offense. In this manner the employers secured the assistance of the sheriff and the criminal courts in impressing the laborer with the fact that disagreeable consequences would follow his failure to perform his contract.

In *Ex parte Drayton*, 153 Fed. 986 (1907), the district court released on habeas corpus two negroes who had been imprisoned by a South Carolina court under a statute punishing with fine and imprisonment agricultural laborers who break their contracts of service after having received advances. The court held that this statute, which did not even nominally make fraud an essence of the crime, was contrary to the 13th amendment and to the equal protection of the laws guaranteed by the 14th amendment. The court said:

The first question to be considered is whether the act \* \* \* is intended to secure compulsory service in payment of a debt. That appears to be its sole purpose and effect. It provides a coercive weapon to be used by the employer, and enables him to send to jail or the chain gang any person who may "fail to perform the reasonable service required of him by the terms of the said contract." \* \* \*

It is a legislative judgment enforcing involuntary servitude. It does not imprison the laborer because he refuses to pay the debt or return the advances, but because he does not continue in an involuntary servitude. Under the guise of police power, it compels one person to continue against his will to render personal services to another. If this act and others of cognate character are sustained, the state may by its criminal laws completely nullify and abrogate the main object of the amendment prohibiting slavery and involuntary servitude, and establish a complete system of peonage.

In the case of *Bailey v. Alabama*, the legality of this system was attacked under the 13th amendment. An Alabama statute punished criminally any person who with intent to defraud his employer entered into a contract of service and accepted an advance payment thereon and who, with like intent to defraud and without refunding the advance, refused to render the service or perform the contract. It will be observed that this statute made fraud the basis of the crime; but a later provision of the same law made the mere act of quitting the service before the contract had been fully performed *prima facie* evidence of fraud. Moreover, the rules of evidence in Alabama prevented the defendant in such a case from testifying to his uncommunicated intentions or motives. In effect, it resulted that the laborer, who entered into such a contract and thereafter broke it and quit, was, because of the act of quitting, guilty of a crime. While fraud was apparently essential as an element of the crime, it was presumed against him and practically it was impossible for him to rebut the presumption.

Bailey entered into a contract to serve as a farm-hand for one year and received an advance of \$15. He was convicted on the charge of quitting the service before the expiration of the year and was fined \$30 and costs. In lieu of the fine his



sentence provided for 116 days imprisonment. This conviction was carried to the Supreme Court of the United States and was there reversed on the ground that the Alabama statute was in violation of the 13th amendment and the peonage statutes.

It should be noticed that in this case a criminal penalty was imposed for quitting private employment, that the crime actually consisted in the *quitting of work* and that at the time of quitting the workman was indebted to his employer for money advanced. It should also be remembered, though this fact was not referred to in the opinion of the court, that the statute imposing this criminal penalty was part of a system, the avowed purpose of which was to compel the laborer to continue at work. The purpose, therefore, of the criminal penalty was to compel labor for a private individual. Indeed, it was urged in justification of such a law that to get consistent work out of laborers in some parts of the South it was necessary to have some system by which they might be compelled to work.

Considering the effect of the constitutional prohibition of involuntary servitude and the congressional prohibition of peonage in their application to the circumstances of this case, Mr. Justice Hughes, for the court, said:

The plain intention was to abolish slavery of whatever name and form and all its badges and incidents; to render impossible any state of bondage; to make labor free by prohibiting that control by which the personal service of one man is disposed of or coerced for another's benefit, which is the essence of involuntary servitude. \* \* \*

The state may impose involuntary servitude as a punishment for crime, but it may not compel one man to labor for another in payment of a debt, by punishing him as a criminal if he does not perform the service or pay the debt. If the statute in this case had authorized the employing company to seize the debtor and hold him to the service until he paid the \$15, or had furnished the equivalent in labor, its invalidity would not be questioned. It would be equally clear that the state could not authorize its constabulary to prevent the servant from escaping, and to force him to work out his debt. But the state could not avail itself of the sanction of the criminal law to supply the compulsion any more than it could use or authorize the use of physical force. "In contemplation of the law, the compulsion

to such service by the fear of punishment under a criminal statute is more powerful than any guard which the employer could station."

All of this was said with reference to the holding of the threat of criminal punishment over the head of a workman in order to compel him to work out his debts in private employment. While detached quotations from Mr. Hughes' opinion seem to preclude the use of the criminal penalty to enforce the performance of any contract of personal service, the effect of the opinion must necessarily be confined to private employment and to peonage, that is, the working out of a debt. The only injury done was to the employer. The case is, therefore, not necessarily a precedent against imposing a criminal penalty on quitting employment where the injury is done or threatened to the public rather than, or as well as, to the employer.

The Alabama system of compelling personal service was again before the Supreme Court in *U. S. v. Reynolds*, 235 U. S. 133 (1914). Of the effect of the criminal penalty as an instrument of compulsion which made possible the peonage system the court said:

This labor is performed under the constant coercion and threat of another possible arrest and prosecution in case he violates the labor contract which he has made with the surety, and this form of coercion is as potent as it would have been had the law provided for the seizure and compulsory service of the convict. Compulsion of such service by the constant fear of imprisonment under the criminal laws renders the work compulsory, as much so as authority to arrest and hold his person would be if the law authorized that to be done. \* \* \* The convict is thus kept chained to an ever-turning wheel of servitude to discharge the obligation which he has incurred to his surety, who has entered into an undertaking with the state or paid money in his behalf.

Under the system as it actually operated, the workman convicted of quitting service in breach of his contract was sentenced to pay a fine and costs or in lieu thereof go to jail. Thereupon a "surety" in the person of his former or another prospective employer stepped forward and paid the fine and costs. The convicted man thus released then signed a contract to serve his "surety" for a specified time to "work out"

the money advanced for payment of the fine and costs. The court, in the Reynolds case, *supra*, pointed out that in the case before it if the convict had gone to jail and worked out his time for the state he would have been under imprisonment for less than four months, whereas under the contract with the surety who relieved him from this four month's labor, he obligated himself to work for the period of 19 months and 29 days.

The opinion in the Reynolds case was unanimous. Mr. Justice Holmes who, with Mr. Justice Lurton had dissented in the Bailey case on the ground that that case involved only attaching a "disagreeable consequence," namely, the criminal penalty—to a wrongful act, namely, the breach of a contract voluntarily entered into, filed a concurring opinion in which he reasserted his opinion that the 13th amendment does not prevent a state's "making a breach of contract, as well a reasonable contract for labor as for other matters, a crime and punishable as such." But with respect to the circumstances in this case he says: "The successive contracts, each for a longer term than the last, are the inevitable, and must be taken to have been the contemplated, outcome of the Alabama laws."

Mr. Justice Holmes' dissent in the Bailey case and his concurring opinion in the Reynolds case make it clear that he understood the decision of the court in the Bailey case to mean that a criminal penalty imposed for breach of a service contract subjected the person threatened with such penalty to a condition of involuntary servitude. It is true that some parts of Mr. Justice Hughes' opinion in the Bailey case are stated in language broad enough to prohibit the use of the criminal penalty as a punishment for any quitting of personal service contrary to contract. It has been pointed out, however, that there was no element of public wrong involved in Bailey's quitting. The element of fraud was practically eliminated by the fact that the Supreme Court, brushing aside the technical justification of the *prima facie* presumption of fraud, took the position that in effect Bailey was punished for the mere act of quitting. The decision is authority only for the proposition that the criminal penalty cannot be imposed as a device to compel the working out of a debt.

The fact that the Bailey case was decided under the peonage statutes and that these statutes apply only to the employee who is required to work out an indebtedness to his employer, does not affect the application of the principles underlying the opinion to other cases involving the 13th amendment. The peonage statutes were merely congressional applications of the sweeping prohibition of servitude contained in the amendment. The amendment, however, needs no congressional action to make it effective. Therefore, if the fear that the criminal penalty may be imposed upon him for breaking his contract of service subjects a workman to a condition of involuntary servitude, the legislation which authorizes such criminal penalty is as void under the 13th amendment, without an act of Congress, as it would be under the peonage statutes. In other words, the 13th amendment is self-enforcing; it needs no act of Congress to make it effective. And no act of Congress aimed to make its prohibitions effective can do more than indicate what the amendment prohibits. An act of Congress which goes further in protecting the liberty of the individual than the 13th amendment warrants would itself be void as beyond the powers of Congress. The decision in the Bailey case is in effect an interpretation of the 13th amendment, and a declaration that a criminal penalty imposed upon the mere act of quitting for the purpose of compelling personal service to work out an indebtedness subjects the person threatened with such penalty to involuntary servitude.

The principles underlying the decision in the Bailey case, in so far as they are applicable to any case other than that of peonage, must be limited strictly to cases in which the *mere act of quitting private employment* is penalized. The words "mere act of quitting" should be understood to mean quitting under circumstances which involve no danger to life or property and no detriment to the public welfare, but only inconvenience to a private employer. Thus limited, the interpretation given to the 13th amendment merely prohibits the use of the criminal penalty to compel personal service in cases where the only public interest in compelling service is to see a private contract performed in accordance with its stipulations.

There is something to be said in favor of the use of the criminal sanction to enforce labor contracts even in private employment. Mr. Justice Holmes, in his dissent in the *Bailey* case, said:

Breach of a legal contract without excuse is wrong conduct, even if the contract is for labor; and if the state adds to civil liability a criminal liability to fine, it simply intensifies the legal motive for doing right; it does not make the laborer a slave.

He suggests a saving limitation, when he says:

If the contract is one that ought not to be made, prohibit it. But if it is a perfectly fair and proper contract, I can see no reason why the state should not throw its weight on the side of performance.

This suggests the cases in which labor contracts were held contrary to public policy because they bound the employee for an unreasonable time or in an indefinite manner to serve at the absolute discretion of the employer.<sup>1</sup>

The decision in the *Bailey* case must be accepted as prohibiting under the 13th amendment the use of the criminal penalty, where the only injury done by the act of quitting is that suffered by the employer. This brings us to the interesting question whether and to what extent a criminal penalty may be imposed, where the act of quitting involves not only injury to the employer but detriment to the public welfare.

Assuming, as I think we must under the *Bailey* case, that holding over the head of a workman the fear of a criminal penalty for quitting involves the possibility of subjecting him to that involuntary servitude which the 13th amendment prohibits, we have still to consider whether this amendment is subject to any qualifications or exceptions which may in some cases justify the use of the criminal penalty. Mr. Justice Harlan in his dissent in the *Robertson* case vigorously denounced as unconstitutional the criminal penalty for quitting purely

<sup>1</sup> In *Parsons v. Trask*, 7 Gray 473, the Massachusetts court held illegal as contrary to public policy a contract to serve faithfully for a period of five years in such manner, places, *etc.*, as the employer might require. In the case of *Mary Clark*, 1 Black. (U. S.) 122, the Indiana court released the petitioner from her contract to serve as a housemaid for a period of twenty years.

private business; but in the *Adair* case he suggested that such penalty might be imposed by Congress on quitting the service of an interstate carrier. This suggests the possibility of the important distinction between public or semi-public employment and private employment. Can it be held that while compulsion to labor on private work subjects the individual to involuntary servitude nevertheless similar compulsion may be exerted to compel labor on public or semi-public work without violating the amendment?

Such a distinction must be grounded on the assumption that the 13th amendment is subject to qualifications and exceptions not expressly stated in it or any other part of the constitution. The amendment in the broadest language denounces slavery and involuntary servitude. The only qualifying words in it are "except as a punishment for crime whereof the party shall have been duly convicted." This qualification relates only to compulsion of service from convicts. Otherwise the amendment provides for no exceptions; it does not even except service in the army or navy. If this language be taken as admitting of no exceptions not expressed, criminal punishment for desertion as a means of compelling service for periods of enlistment would be prohibited. Unquestionably it was never intended to prohibit punishment of deserters; an amendment, the purpose of which was to prevent the subjection of one man to the control of another, was never intended and should not be permitted to cripple the government by taking from it the power to require of its citizens the performance of that service upon which the safety and continued existence of the nation might depend.

There is nothing extraordinary in the suggestion that this unqualified prohibition of slavery and involuntary servitude is subject to some exceptions. Other equally comprehensive constitutional guarantees have frequently been held by the Supreme Court to be subject to certain "well recognized exceptions arising from the necessities of the case." Unqualified guarantees of freedom of speech are held to be subject to the qualification that libel or publications injurious to public morals may be punished by law; the right to bear arms, though

unqualifiedly guaranteed by the constitution, is held not to be infringed by laws prohibiting the carrying of concealed weapons. We are all familiar with the constantly developing exceptions to the unqualified constitutional declaration that no person shall be deprived of life, liberty or property without due process of law. The Supreme Court has said that these and like exceptions to unqualified constitutional guarantees or prohibitions were intended to be recognized precisely the same as if they had been formally expressed in the constitution itself.

In *Robertson v. Baldwin*, 165 U. S. 273 (1896), the court said:

To say that persons engaged in a public service are not within the (13th) amendment is to admit that there are exceptions to its general language, and the further question is at once presented, Where shall the line be drawn? We know of no better answer to make than to say that services which have from time immemorial been treated as exceptional shall not be regarded as within its purview.

Both the *Bailey* and the *Reynolds* cases related to the work of farm hands. Not only did these cases deal with private employment, but in addition there was nothing to indicate that the act of quitting work in either case involved any detriment to the public welfare or any fraudulent or immoral conduct such as ordinarily justifies resort to criminal law. These cases, therefore, are not necessarily authorities against the possibility of imposing a criminal penalty for quitting work, where the purpose of the penalty is not to persuade the workman to continue until he has worked out an indebtedness, but to punish him for conduct which is fraudulent or detrimental to the public safety, health or welfare.

In charging the jury in the peonage cases, 123 Fed. 671 (1903), the district court said:

It is not contended that leaving the service cannot under any circumstances be made a criminal offense. Doubtless it is competent for legislation to make it a criminal offense for an employee, without giving reasonable notice, to suddenly quit duties the continued performance of which, for the time being, under the conditions of the particular calling, is necessary to prevent the endangering of life,

health, or limb, or inflicting other grievous inconvenience and sacrifice upon the public. \* \* \* In these and like cases, the criminal law would be exerted not to compel performance, or to prevent quitting the service in a reasonable way, but because, by abandoning it in an unreasonable way, the employee has created a condition of affairs, the natural, direct and known result of which is to endanger life, health or limb, or to inflict grievous public injury.

Even in private employment, therefore, it may yet be held by the court, in accordance with the position taken by Mr. Justice Holmes in his dissent in the *Bailey* case, that the "disagreeable consequence" of a criminal penalty may be imposed on a workman who without justifiable cause quits his job under circumstances detrimental to the public welfare. The New York Penal Law, § 1910, goes even further by providing: "A person, who wilfully and maliciously, either alone or in combination with others, breaks a contract of service or hiring, knowing, or having reasonable cause to believe, that the probable consequence of his so doing will be to endanger human life, or to cause grievous bodily injury, or to expose valuable property to destruction or serious injury, is guilty of a misdemeanor." The mere act of quitting an incomplete job voluntarily undertaken with knowledge that the probable consequence of such quitting will be personal injury or destruction of property does violence to the public welfare as much as does assault or robbery. In the *Robertson* case, for example, the justification for punishing criminally the seaman who deserted and then refused to work after being returned to his ship, rested on the fact that the sailor should stay by his ship until the voyage for which he had embarked is completed, and ought not to be permitted to leave either the ship, her cargo or the fellow-members of his crew exposed to the dangers of undermanning.

Though we may not be able to keep a man at work for the whole period of his contract, nevertheless it seems that we ought to be able, notwithstanding the 13th amendment, to penalize him not only civilly but criminally for the public damage which he does or threatens through quitting without notice and before the completion of a job which he voluntarily



entered upon. If this be true, then it becomes a matter of degree: how long may he be compelled to remain regardless of any desire or intent on his part to quit? The circumstances of each case will be controlling; but constitutional protection of the individual from involuntary servitude should not prevent the state's penalizing criminally as well as civilly the man who deserts a task which he voluntarily undertakes, thereby causing or threatening loss of life, personal injury, serious damage to property or other detriment to the public welfare.

In the Robertson case, *supra*, the court had before it the legality of acts of Congress which authorized the arrest and return and impressment into service of deserting seamen. A seaman having deserted was arrested and detained by a United States marshal until his boat was ready to sail and then was put on board. The deserter refused to "turn to" in obedience to orders from the master and he was thereupon arrested and at the next port was charged with refusing to work. The Supreme Court upheld the constitutionality of the law imposing a criminal penalty for this refusal to work. Justification for this exception from the 13th amendment was found in ancient custom. The court said:

In the face of this legislation upon the subject of desertion \* \* \* which was in force in this country for more than sixty years before the 13th amendment was adopted, and similar legislation abroad from time immemorial, it cannot be open to doubt that the provision against involuntary servitude was never intended to apply to their contracts.

Mr. Justice Harlan dissented. He refused to follow the court in its position that ancient usage in the matter of deserting seamen justified an exception from the 13th amendment. He declared emphatically that the laws of a period in which the equal rights of man were not respected are not to be taken as indicative of what is authorized under a constitution, the very purpose of which is to secure equality of right and privilege. "If," he said, "Congress, under its power to regulate commerce with foreign nations and among the several states, can authorize the arrest of a seaman who engaged to serve upon a private vessel, and compel him by force to return

to the vessel and remain during the term for which he engaged, a similar rule may be prescribed as to employees upon railroads and steamboats engaged in commerce among the states." In the concluding paragraph of his dissent, however, Justice Harlan emphasized the fact that he regarded the seaman as engaged in a *private employment*.

In the case of *Butler v. Perry, supra*, it was urged that conscription for road labor in the county districts violated the 13th amendment. A Florida act provided that every able-bodied man should work at least six days a year on his county roads or furnish a substitute or pay a specified sum. Failure to do either was made a misdemeanor. The court sustained this compulsory labor on the roads enforced by criminal penalty, on the ground of ancient usage and unanimity of judicial opinion. The opinion refers to the fact that the prohibition of slavery or involuntary servitude was first contained in the Northwest Territory Ordinance of 1787, and that it was copied into the constitutions of the states carved out of that territory. Notwithstanding this prohibition conscripted road labor was provided for both in the territory and in those states. This the court said shows that this method of keeping the public roads in repair was never intended to be abolished by the language of the ordinance copied into the 13th amendment.

Long-continued custom, in other words, was held both in the road case and in the seaman case to have established a restriction on liberty which might otherwise seem to be within the prohibition of involuntary servitude. This ancient-usage doctrine has its difficulties. It might even except slavery itself, which was a long-continued custom supported by usage and judicial opinion. But the fact is that it is not so much the antiquity of the custom as it is its continuance down to the present time and the practical necessities of the past and present which demand and justify it. In the *Robertson* case the court probably gave too much weight to the ancient laws and customs penalizing the deserting seaman. While it is true that at the time that case was decided acts of Congress still provided for reclaiming and returning deserting seamen, the need for the help of the criminal law in retaining a full crew was not

even then so great as formerly. Great Britain had discontinued the criminal penalty for desertion in home ports many years before. In 1915 Congress repealed the criminal penalty for desertion of seamen, and while the repeal was vigorously objected to by some shipping interests, it seems that masters have not frequently resorted in recent years to the help of criminal law to reclaim deserters. In other words, while supported by ancient custom, the criminal penalty was not an active present necessity.

The road case might, it seems, have been put on the ground that the law involved really levied a road tax, and provided a means of working out the tax in lieu of payment. The penalty therefore was really imposed on failure to pay a lawful tax. But the court treated the case as one involving compulsory service and held that it fell within an exception to the 13th amendment which permitted compulsion to perform long established public duties.

The Robertson and Perry cases must, therefore, be accepted as establishing the fact that the 13th amendment is subject to qualifications not expressed. Work on the roads and work on board ship are established exceptions. Service in the army and navy and on local police forces are admitted though not adjudicated exceptions. If exceptions to this amendment have been established in order that such work or service may be compelled, why should not similar exceptions be established in order that the continuous operation of the railroads and other public utility properties may be protected from interruption.

In the absence of other judicial precedents supporting the compulsion of service it is interesting to note some statutes hitherto unquestioned which in the interest of the public welfare restrict the freedom of the individual to quit. We have noted above the New York statute (Penal Code, § 1910) making it a misdemeanor wilfully and maliciously to break a contract of service with knowledge that the probable consequence will be danger to human life, grievous bodily injury, or the exposing of valuable property to serious injury. A Connecticut statute (General Statutes 1902, Chap. 86, § 1293, p. 373) provides that "every person who shall unlawfully, maliciously and

in violation of his duty or contract unnecessarily . . . abandon any locomotive, car, or train of cars, or street railroad car . . . shall be fined not more than \$100 or imprisoned not more than six months." A Pennsylvania statute (Act of 1887, Purdon's Digest 13th ed. vol. 4, p. 3911, paragraphs 240 and 241) makes it a misdemeanor punishable by fine of \$100-500 and, in the discretion of the court, 6 months imprisonment, for any railroad employee "engaged in any strike or with a view to inciting others to such strike, or in furtherance of any combination or preconcerted arrangement with any other person to bring about a strike," to abandon the locomotive in his charge when attached to a passenger or freight train at a place other than the scheduled or appointed destination of the train, or to "refuse or neglect to continue to discharge his duty or to proceed with said train to the place of destination." The provisions of this Pennsylvania statute are substantially the same as those of the Delaware law (Rev. Code 1915, chap. 100, p. 1613 and p. 3499) and the New Jersey law (Compiled Statutes 1910, p. 61). A Kansas statute (Gen. Stat. 1909, chap. 31, § 2884, p. 636) and an Illinois statute (Rev. Stat. 1915, p. 2090, § 108, chap. 114) punish with fine of \$20-100 and imprisonment 20-90 days a locomotive engineer who "in furtherance of any combination or agreement shall wilfully and maliciously abandon his locomotive upon any railroad at any other point than the regular scheduled destination of such locomotive." This Kansas law (Gen. Stat. 1909, chap. 31, § 2884, p. 636) and the Illinois law (Rev. Stat. 1915, p. 2090, chap. 114, §§ 109, 110, 111) punish by fine and imprisonment any person who "shall wilfully and maliciously by any act or by means of intimidation impede or obstruct, except by due process of law, the regular operation and conduct of the business of any railroad company or other corporation, firm or individual in this state, or of the regular running of any locomotive engine, freight or passenger train of any such company, or the labor or business of any such corporation, firm or individual." These laws provide the same punishment for two or more persons who "wilfully or maliciously combine or conspire together" to accomplish any of the purposes forbidden

by the provisions just quoted. Both the Illinois and the Kansas statutes, however, provide that they shall not be construed to include cases of persons voluntarily quitting their employment "whether by concert of action or otherwise," except as provided in § 2884, which forbids abandonment of a locomotive at a point short of its destination. The Pennsylvania, Delaware and New Jersey statutes above referred to, in addition to making it a misdemeanor to abandon a locomotive or train, provide that any railroad employee who "for the purpose of furthering the object of or lending aid to any strike or strikes organized or attempted to be maintained on any other railroad either within or without this state" shall "refuse or neglect in the course of his employment to aid in the movement over and upon the tracks of the company employing him of the cars of such other railroad company received therefrom in the course of transit" shall likewise be guilty of a misdemeanor punishable by fine and imprisonment.

Persons who voluntarily desert or abandon United States mail before delivering it into the proper post office or to some post-office employee authorized to receive it are punishable by fine and imprisonment under § 5474 of the Revised Statutes. Obstruction of the mails is likewise punishable, but the statute imposing such punishment and the cases like *In re Debs*, 158 U. S. 564 (1895), punishing for contempt disobedience of injunctions prohibiting obstruction of the mails are not germane to the right to quit work. In the *Debs* case, for example, the court expressly noted the fact that the question of the right of a single employee or of a group of employees to quit was not involved.

The constitutionality of these statutes punishing criminally the abandonment of locomotives or trains or an interference with the regular operation of railroads or of the post office, seems not to have been passed upon by the courts. The opinion of the Supreme Court in *Ex parte Lennon*, 166 U. S. 548 (1897), refers to the legality of the purpose sought by such statutes when it says:

It is not necessary for us to decide whether an engineer may suddenly

and without notice quit the service of a railroad company at an intermediate station or between stations, though cases may be easily imagined where a sudden abandonment of a trainload of passengers in an unfrequented spot might imperil their safety and even their lives.

The very fact that these statutes have so long gone unquestioned serves to indicate that in some cases, at least, quitting service may be punished criminally if the consequence of such quitting may involve danger to the public. If a man may be compelled by the threat of criminal punishment to remain at work for any period—whether for an hour or a day or the completion of a run or until he has deposited the mails at their proper destination—why may he not be compelled by like fear of penalty to remain at work for a longer if limited period, in order to protect the public against danger or serious inconvenience?

If continuance for a brief period in a service voluntarily assumed be required in the interest of the public welfare, such service may be compelled so far as compulsion is practicable, that is, by imposing criminal punishment for quitting. This conclusion, however, does not justify anything in the nature of enlistment for a fixed period in the service of a public utility and enforcement by criminal penalties of that service for the full period. In the absence of extraordinary circumstances there would seem to be no such public interest in keeping public utility employees at work for the full period of their contracts as would be required to justify the resultant restriction on the employees' liberty. Whatever may be done in times of emergency, as for example, in a great national crisis, it seems clear that under the principles of the *Bailey* case anything in the nature of compulsory service for the full period of enlistment or contract of service would be held to be involuntary servitude or at least an unconstitutional interference with individual liberty. It is true, the liberty of the individual may be restricted in the interest of the public welfare, but so long as it is possible for public utility companies to find new men to take the places of those who quit, it seems hardly consistent with our ideas of personal liberty to compel a man to remain for a year or longer

in the service of such a company, despite his possible desire to grasp better opportunities in other fields. He may be made responsible in damages for the injury which his breach of contract does his employer, but is there any public necessity which justifies compelling him to remain where he is and to sacrifice other opportunities, the acceptance or rejection of which may vitally affect his future?

This brings us to a consideration of the third phase of the subject, namely, does the prohibition of strikes either permanently or pending a public investigation and the enforcement of this prohibition by criminal penalty subject the workman to involuntary servitude? Briefly stated, the question is, whether the right to strike is the same as the right to quit work and therefore protected by the same constitutional guarantees of liberty? The essential elements of a strike are quitting in concert and with the intention, not of remaining out of a service which is abandoned, but of returning to it under more favorable conditions. The very purpose of a strike is to enforce economic demands. The striker seeks the support of public opinion to dissuade strike-breakers to take his place and to compel his old employer to take him back on his own terms. We all know the vigorous language with which the striker denounces the strike breaker. In the language of the striker the strike breaker unfairly seeks *my job*, not a job which he has quit and abandoned.

Restricting the power to strike results merely in removing one of the many reasons for which a man may quit work. He may still quit because of illness, the hope of a better job, old age, or general dissatisfaction. The prohibition of a strike merely says to the worker, you shall not use the economic power involved in quitting in concert as a weapon to coerce your employer to yield to your demands because that method of securing your purpose is contrary to the public welfare.

While it is generally true in this country today that the mere combination of employees to strike and their striking to enforce their demands will not be enjoined by the courts and is not indictable as a conspiracy, nevertheless, there are cases in which the courts will inquire into the purpose of the strike.

If the combination or the strike is for an unlawful purpose they are both *indictable* and *enjoinable*. Does it seem a long step for the legislature to provide that every strike on a public utility, involving as it does incalculable inconvenience and injury to the traveling, producing, and consuming public, should be declared to be for an unlawful purpose and therefore punishable in the criminal courts?

Professor Freund, in his book on the *Police Power* (p. 326) says:

But the strike divested of aggravated features has come to be regarded by many, rightly or wrongly, as a legitimate and indispensable weapon in the struggle of labor against capital, and is now recognized as such by courts, the legislatures and by public sentiment. The question then suggests itself whether the right thus secured should be treated as part of the constitutional liberty of the workman.

His conclusion is that the strike is not an absolute constitutional right and its prohibition is, therefore, within the power of the legislature.

A Colorado statute (chap. 180, 1915, §§ 27-33) following the Canadian Industrial Disputes Act, prohibits strikes pending an investigation of the matters in dispute. A declaration adopted by the Colorado State Federation of Labor in August 1916 (quoted in "Compulsory Service or Freedom—Which," by Samuel Gompers in the October 1916 *American Federationist*) says that this law is "in contravention of this amendment (the 13th) and in defiance of the specific declaration against slavery and involuntary servitude."

Mr. Gompers in this and other articles has frequently asserted that the deprivation of the right to strike interferes with the freedom of the worker and practically reduces him to slavery or involuntary servitude. These vigorous protests against legislative interference with the right to strike are probably based upon the economic importance of the strike to labor rather than upon an interpretation of the constitutional guarantees of freedom. At all events, the labor unions have come to look upon the right to strike as "the only distinguishing mark between free men and slaves" and to consider it as an essential means of maintaining their economic liberty.



The extent to which legislative interference with the right to strike might involve subjecting the workman to involuntary servitude seems not to have been passed upon by the courts. There are, however, interesting cases which may throw some light on the question. In *Ex parte Lennon, supra*, it appeared on petition for writ of habeas corpus that the petitioner was held in custody for contempt in disobeying an injunction issued under the following circumstances: The petitioner was employed by the A railroad which connected with the B railroad. The petitioner alleged that the A road and its employees were discriminating against the B road by refusing to receive and forward cars hauled to the point of junction by the B road on the ground that the B road employed engineers who were not members of the brotherhood. The court issued the injunction restraining the A road and its employees from such discrimination and especially from refusing to forward the B road's cars. The injunction was brought to the notice of A's employees, including Lennon. An attachment issued against him and others and after hearing he was held for disobedience of the injunction and fined \$50 and costs. Lennon then petitioned for a habeas corpus relying *inter alia* on the contention that a court of equity could not compel performance of a personal contract for service. The circuit court (54 Fed. 746) dismissed his petition, pointing out that railroads under the interstate commerce law are obliged to receive and haul cars delivered by connecting lines and that railroad employees knowing this to be the duty of the railroad employing them owe to that road

and to the public a higher duty than though their service had been due to a private person. . . . An implied obligation was therefore assumed by the employees upon accepting service from it under such conditions that they would perform their duties in such manner as to enable it not only to discharge its obligation faithfully, but also to protect it against irreparable losses and injuries and excessive damages by any acts of omission on their part. . . . In ordinary conditions as between employer and employee, the privilege of the latter to quit the former's service at his option cannot be prevented by restraint or force. The remedy for breach of contract may follow to

the employer, but the employee has it in his power to arbitrarily terminate the relations, and abide the consequences. . . . Will it be claimed that this engineer and fireman could quit their employment when the train is part way on its route, and abandon it at some point where the lives of the passengers would be imperiled, and the safety of the property jeopardized? The simple statement of the proposition carries its own condemnation with it. The very nature of their service, involving as it does the custody of human life, and the safety of millions of property, imposes upon them obligations and duties commensurate with the character of the trusts committed to them. They represent a class of skilled laborers, limited in number, whose places cannot always be supplied. . . . The suspension of work on the line of such a vast railroad, by the arbitrary action of the body of its engineers and firemen, would paralyze the business of the entire country, entailing losses, and bringing disaster to thousands of unoffending citizens. Contracts would be broken, perishable property destroyed, the traveling public embarrassed, injuries sustained, too many and too vast to be enumerated.

Mr. Justice Brown, in an opinion for the Supreme Court sustaining the circuit court's refusal to discharge Lennon, emphasized the fact that while Lennon when ordered to receive and transport the objectionable car had said, "I quit," and had thereupon refused to take the car into the train and thereby held the train for five hours, he thereafter returned to his post and proceeded on his run when he received a dispatch from an officer of the brotherhood instructing him to "come along and handle Ann Arbor cars." On arriving at his destination he gave no notice of intention to quit the service. Therefore, said the court, he did not quit in good faith "but intended to continue in the company's service . . . and his conduct was a trick and device to avoid obeying the order of the court." The refusal to release Lennon from the punishment for his contempt was, therefore, upheld on the ground that he had not exercised his right to quit, but had, while remaining in the service of the railroad, refused to obey an order of the court directed to him as well as to the road.

In *South California Railway v. Rutherford*, 62 Fed. 796 (1894), an injunction was issued requiring railway employees to perform their regular and accustomed duties so long as they

remained in the company's employment. In the course of the opinion in this case, the court said:

Why should not men who remain in the employment of another perform the duties they contract and engage to perform? It is certainly just and right that they should do so, or else quit the employment. And where the direct result of such refusal works irreparable damage to the employer, and at the same time interferes with the transmission of the mail and with commerce between the states, equity, I think, will compel them to perform the duties pertaining to the employment so long as they continue in it.

It should be noticed that the decision in this case was expressly limited to those employees who remained in the railroad's service. No effort was made to compel them to remain. They were simply enjoined from refusing to perform the usual duties required of them as railroad employees without discriminating against particular cars.

In these cases men were enjoined from refusing to perform the usual duties of their employment. They were punished for contempt of these injunctions when they refused to perform as ordered. In the Lennon case the court said that Lennon had only pretended to quit but had in fact no intention of remaining out of the service. The same is true of the striker. He does not really intend to quit the service. He quits only to enforce economic demands just as Lennon quit to enforce the brotherhood's determination not to handle boycotted cars.

It has been pointed out that the right to strike, while established by law and supported by public sentiment, is subject to the qualification that the strike must be for a lawful purpose and must be conducted in a lawful manner. The courts will enjoin strikes for unlawful purposes. The right to strike, therefore, has always been more qualified than the right to quit. If the right is qualified and its qualification is based on the illegality of its purpose, it would seem clear that the legislature has the power to add to those purposes which the courts have declared illegal and to say that a public utility strike shall always be deemed illegal and therefore shall not be permitted. This is merely saying to the employees of a public utility that since the very life of the community may

depend on the continuous operation of public utility properties, any attempt to tie up such an industry will be punished by the state as a crime against the peace and welfare of the community.

If it is possible to justify constitutionally an entire prohibition of the right to strike, it is, of course, within the power of the legislature to postpone the strike pending an investigation of the matters in dispute. It would seem, therefore, that the 13th amendment interposes no insurmountable objection to legislation which enforces one of the essentials of any scheme of compulsory arbitration, namely, a restriction on the right to strike.

Assuming that prohibition of or restriction on the right of public utility employees to strike may be constitutional, notwithstanding the guarantee of freedom from involuntary servitude, the question remains whether it would be an unconstitutional interference with liberty contrary to the due-process clause of the 5th or 14th amendment. It is undoubtedly true that an interference with personal liberty might violate the due-process clause and yet not constitute involuntary servitude; nevertheless, the public interest in the continuous operation of the public utilities and in the prevention of loss of life, personal injury and damage to property so frequently resulting from public utility strikes, which seems to justify the use of the criminal penalty despite the 13th amendment, will probably be held equally to justify the restriction on personal liberty notwithstanding the due-process clause.

In *Chicago Railroad v. McGuire*, 219 U. S. 549 (1910), the Supreme Court said: "Liberty implies the absence of arbitrary restraint, not immunity from reasonable regulations and prohibitions imposed in the interests of the community."

However important to the employees the right to strike may be, that right must give way to a greater public interest in protecting the public safety, health and welfare and in preventing the tying-up or crippling of public utilities.

Before concluding this discussion of the legislative power to penalize quitting or striking, mention should be made of the right of public employees to quit or strike. From the point of view of the worker there is no distinction between compul-

sion to work at ordinary labor in a government navy yard and compulsion to work at similar labor for a private employer. It is, of course, unthinkable that soldiers, policemen, school teachers and like public employees should be permitted to strike. Where, however the government has entered the field of business or production men employed for such purposes might be held to be in a different position from that occupied by the employee assisting in the performance of a governmental function. In any event, the real justification for prohibiting strikes of public employees or penalizing their desertion of their posts lies in the principle that the individual's liberty may be restricted in the interest of the public welfare. As we have seen, there may be cases of quitting private or semi-public employment which are detrimental to the public welfare and which may, therefore, be prohibited or penalized. Practically every desertion or strike by public employees administering governmental functions would of necessity be contrary to the public welfare. Moreover, a strike of public employees is the exercise of force against the rest of the community, not against a private individual or group in the community. This results from the fact that wages, hours, and conditions of employment in the public service are fixed by law and dissatisfied public employees should seek changes through appeal to the law-making bodies rather than through economic pressure directed against the community itself.

An act of Congress indirectly prohibits strikes of postal employees by providing that such employees shall not be removed or reduced because of membership in any organization of postal employees not affiliated with any outside organization imposing an obligation to engage or assist in any strike against the United States. The same act expressly permits such organizations to have among their objects improvement in the conditions of labor, including hours, salaries and leaves of absence of postal employees. In a recent case in the United States district court a group of postal employees who had resigned simultaneously were indicted and convicted of conspiracy to obstruct the mails.

Admitting legislative power to postpone or prohibit strikes

does not, however, dispose of the constitutional problems involved in an effective scheme of arbitration. Restriction of the right to strike must be accompanied by a restriction on the right of the employer to lock out his employees. The courts have always upheld the right of the employer to drop all his employees for any reason satisfactory to himself. Government cannot compel the continuance of a private industry. But we are now dealing only with the public utilities, and government not only can but does require their continuous operation. Practically, it results that the lockout is less likely to occur on a public utility than in private industry. Failure to operate is sometimes excusable but interruption of service due to the company's own action in locking out its men might well be held to justify forfeiture of franchises. In place of the lockout, however, employees may be gradually dropped and their places filled until the force has been substantially changed. This process of weeding out objectionable employees and dropping them from the service may be equivalent in effect to a general lockout. It therefore becomes important to consider how far a lockout or wholesale laying off of men by the managers of a public utility may be restricted by legislation.

It has been uniformly held that legislation designed to prevent discriminations against union men in the hiring of employees or to prevent a discharge of men because of their membership in unions is void as an unconstitutional interference with the liberty of contract. In *Adair v. U. S.*, *supra*, the Supreme Court held unconstitutional an act of Congress prohibiting corporations engaged in interstate commerce from discriminating against or discharging union men. Mr. Justice Harlan's opinion for the court in this case makes it difficult to determine the exact ground upon which the decision rested. The opinion after discussing in detail the limitations on congressional control over interstate commerce declared that the hiring and discharging of employees is not embraced within the field of interstate commerce, and, therefore, is not within the control of Congress. But it seems that this was not the principal ground of the decision. The court held that the act was in violation of the due process clause of the 5th amend-

ment in that it constituted an invasion of personal liberty and of rights of property.

In *Coppage v. Kansas*, 236 U. S. 1 (1914), the court had before it a similar statute enacted by the state of Kansas. This act was likewise held a deprivation of liberty contrary to the due-process clause of the 14th amendment. The court said: "It is not too much to say that such laws have by common consent been treated as unconstitutional."

The real reason for these decisions, however, is that the evil against which the legislation in question was directed, namely, the prevention of discrimination against or discharge of union men, had not grown to such dimensions as to involve or threaten injury to the public safety or welfare. The very reason, therefore, which justifies an exercise of the police power and converts an unreasonable interference into a reasonable regulation of personal and property rights was not present. The legislation was in the interest of the labor unions, not of the public. It would seem, therefore, that these cases are not authorities against the constitutionality of a restriction on the right of employers to lock out their employees, where the lockout involves so much detriment to the public welfare as necessarily follows an impairment or discontinuance of the service of a public utility.

Capital invested in public utilities has always been subjected to a stricter regulation than has capital invested in private industry. It does not seem, therefore, that it would be necessary seriously to stretch constitutional authority in order to justify a prohibition or postponement of the right to lock out public utility employees where the purpose of such prohibition is to prevent the detrimental effects of the discontinuance of the service. If the courts would uphold a restriction on the right to strike—and it seems clear from the authorities that they would—they would certainly uphold a restriction on the right of the managers of a public utility to lock out or suddenly to change their working force, if such a restriction was calculated to remove or to prevent injury to the public welfare.

We must not, however, conclude that the establishment of

legislative power to prohibit or postpone strikes or lockouts, disposes of all the constitutional questions involved in setting up an effective compulsory arbitration scheme. If compulsory arbitration means judicial settlement and enforcement of an arbitration award it involves of necessity the prescribing of wages, hours, conditions of work and various other details involved in industrial relations. Heretofore we have left these matters, the most difficult of which is wages, chiefly to economic competition. Despite the constantly growing legislative regulation of the safety and sanitation of work places and in a more limited field, of hours of work and minimum wages, we have as yet no comprehensive legislation dealing with the manifold irritations and grievances which lie at the basis of industrial disputes. We do not even have any general rules requiring wages to be "reasonable" or "fair" or forbidding "unfair practices" in industrial relations. It was upon such general rules that the courts in the first instance, and later the legislature, developed more specific rules regulating public utility rates and safety and sanitation in factories. The common law did not leave public utility rates wholly to economic competition. The rule was early established that such rates should be "reasonable." Since the establishment of that rule we have been engaged in attempting to determine what is reasonable under given circumstances, but we have always had the basic rule of reasonableness to work from. In like manner the common law developed the rule that the employer should provide a safe place to work in. The great difficulty in the path of judicial settlement of industrial disputes is that we have no such general rules respecting wages and the attitude of employer and employee toward each other.

In the absence of such rules, who can say for the community and for both parties to a dispute what hours should be worked, what wages paid, what recognition given to employees' associations, *etc.*? Mediation and conciliation in the settlement of industrial disputes as distinguished from their arbitration seek only to bring the contending parties together to find a common basis of agreement. Conciliation, therefore, does not necessitate community formulation of work standards. Arbi-



tration, however, if it is to authorize an award differing from the contentions of both parties or enforcing the contention of one, involves the necessity of formulating community standards which may be imposed on both parties. Conciliation does not seek to replace economic competition as a method of formulating such standards. It merely seeks to bring about a revision by the parties of their own ideas respecting such standards and the establishment of compromise standards. Arbitration or judicial settlement involves the formulation by some one of standards which represent the public interest. Now the fact of the matter is that, while the public is interested in the settlement of industrial disputes, it has no standards and no intelligent informed opinion upon which to base definite standards. In the absence of such standards and of such public opinion, who, representing the public, can undertake to say that the standards demanded by the employers are fair, reasonable and in the general public interest, or that the standards contended for by the employees are fair, reasonable and in the general public interest, or that neither of them but something other represents that general public interest? The satisfactory formulation of such standards requires legislation and their proper development requires constant investigation by an administrative body exercising judicial power to apply the legislative standards to particular conditions.

The public is interested in hours and wages on public utilities in a double sense. On the one hand unduly short hours mean unduly large forces of employees and consequent increased operating expense. Likewise, unduly high wages mean unduly increased expense. Increased operating expense means ultimately increased rates. The public is interested in reasonably low rates. On the other hand the public is interested in the economic position of its working classes not only for their own good but for the general good. The public, therefore, is interested on the one hand in keeping hours up and wages down to a fair level so that rates may be reasonable; but the public is also interested in keeping hours down and wages up to a fair level, so that the workers may be treated fairly and the public health and safety protected. The

adjustment of these conflicting interests has heretofore been left largely to the care of the managers of the public utilities on the one hand and the workers on the other. The managers by their employing power and the possibility of substituting new for dissatisfied workers have looked after their own and the public interest in avoiding abnormal labor expense. On the other hand, the employees have been depended upon to secure their own and the public interest in reasonable hours and wages. In this economic struggle the public, though vitally interested in the outcome, has interposed only as referee to prevent violence. Not the least of the reasons for this hold-off attitude has been a confidence in the ability of the employers and their employees to adjust and settle the intricate details of their relationship better than the public can do it for them. In other words, liberty of contract rather than governmental regulation has been deemed preferable from the point of view of both private and public interest. The principal weapon upon which the employees have depended to enforce their own interest and the public interest in them has been the right to strike. This weapon, which in industrial competition has served a public interest as well as the employees' interest, should not be taken from the employees unless something is substituted for it.

If strikes are to be prohibited and employees are to be deprived entirely of this economic weapon, is there any escape from the alternative of governmental regulation of wages, hours, conditions and relationships in industry? An effective system of compulsory arbitration means legislation fixing general standards and administrative rules and regulations filling in the details, followed by the judicial or semi-judicial interpretation and application of the standards thus formulated to the circumstances of particular cases. Practically this means that government must undertake to do for industrial relations what it has done for public utility rates and service; it means embarking upon a field of governmental regulation more difficult and dangerous than anything of the kind which has yet been undertaken in this country. The New Zealand arbitration scheme recognizes the necessity of just this sort of detail

regulation and provides for agencies to fix wages, *etc.* In other words, it provides not only for the judicial settlement of industrial disputes, but also for legislative and administrative action to remove the causes of industrial disputes.

Even the Canadian scheme of postponing a strike or lock-out pending investigation and report is not entirely free from the difficulty arising from our lack of standards. The Canadian scheme is founded on the assumption that compulsory investigation tends to discourage strikes because of the difficulty of winning in the face of a report following an investigation. It is true that neither employer nor employee can hope to win a strike or lockout without the support of public opinion. If such a report, as a guide to public opinion, is to have such an important effect upon the rights of both employers and employees, it is important that the persons who conduct the investigation and write the report should have some standards by which to judge the conditions and contentions of the parties. Therefore, we come back to the necessity of some governmental prescription of standards of right and duty in industrial relations. The work of formulating such standards is legislative and administrative, not judicial.

In private industry such systematic regulation of industrial relations seems impractical in this country, and certainly would now be held to be unconstitutional as an interference with liberty of contract and property rights. Something of the kind may be possible, however, in the public utility industries. Government would probably find it impractical, without the help of economic competition, to formulate standards of rights and duties in all fields of employment; but it may be able to formulate such standards for the public utilities by basing them upon the standards worked out by economic competition in other industries. Existing laws regulating wages in public employment rely upon economic competition in private industry by requiring payment of the "prevailing rate" of wages. The legislature might enact some such general rule respecting hours, wages, *etc.*, of employees of public utility companies and leave it to the public utility commissions or like agencies possessing semi-legislative, administrative and semi-judicial

powers to work out the details and apply them to particular circumstances. The public utility commissions are now dealing with all the intricate details of service and rates. They represent the community in an effort to find standards which can and should be enforced. Why should they not also consider the details of labor conditions and relations in the service of the public utilities and fix standards of fair treatment, of hours, and of wages? Such standards could be enforced against the utility companies. Employees could be required to accept the conditions of employment fixed by such commissions or leave the employment.

Such laws would simply extend to the relations of the utility companies with their employees governmental regulation similar to that already applied to the company's relations with the shipping and consuming public. We have become accustomed to far-reaching regulation of businesses affected with a public interest. The constitutionality of further regulation will depend upon its reasonableness, and this in turn will depend upon the existence of conditions justifying the proposed interference with private property and liberty of contract. The question will be the extent of the police power, and if it can be established that the public interest in the prevention of strikes necessitates legislation removing the causes of strikes, then such legislation will probably be held constitutional. The public interest in the continuous operation of some public utilities is greater than that in others, so that the program of regulation which compulsory arbitration seems to require is more likely to be sustained by the courts as to those public utilities where the need of continuous operation and the public detriment due to strikes are clearly demonstrated.

Whether or not labor is to be considered as a commodity, the same principles which justify interference with personal and property rights of the owners of the public utility franchises and properties seem equally to justify legislation and administrative action fixing standards of wages, hours and work conditions. It has been suggested above that this might be done by using standards in private industry worked out by economic competition as a foundation upon which to build.

Certainly standards for public utility work should be no less favorable to the employees than standards for corresponding work in private industries; probably they should be considerably more favorable. Following such regulation the employees might well be asked and probably would agree to give up their right to strike. Why should they strike in the face of the public opinion represented by laws and administration intended to remove the causes of strikes? Their grievances, if any, they might present through their organizations or individually to the public tribunal established to work out and enforce standards.

In considering the possibilities of different schemes of arbitration, we must remember that we can do indirectly some things which because of constitutional or other difficulties may not be done directly. We should undoubtedly encounter constitutional and practical difficulties in legislating comprehensively respecting wages, hours and industrial relations. It is possible to avoid some of this difficulty by inducing employers and employees to waive their constitutional rights and to accept a scheme which it might be difficult to impose upon them. By such indirection workmen's compensation laws were first brought within our constitutions. In like manner it is possible in the field of industrial arbitration to provide inducements to employers and employees to enter into collective agreements. If such agreements be made, their standards of hours, wages, *etc.*, are fixed not by the community but by the interested parties. Arbitration then becomes operative when disagreements arise respecting the terms of a collective bargain. This is the New Zealand scheme. It not only reduces the constitutional difficulties but also removes the question of the desirability or practicability of extensive governmental regulation.

In endeavoring to prevent by legislation and arbitration the ills which flow from industrial disputes we shall encounter at every turn difficulties of constitutionality, of practicability and of desirability. Effective arbitration legislation must be adjusted to the provisions of our constitutions if it is to avoid judicial veto. Until all the details have been worked out it

will be impossible to say whether such legislation is constitutional, whether it may be expected to be effective in practice, or whether in the long run it will prove desirable. Where there is such wide choice of ways and means to accomplish the legislative purpose and where any effective scheme involves so much detail, questions of constitutionality and desirability cannot be answered in general; they must be directed to a specific and detailed proposal. When so much depends upon detail it is imperative that every phase of the subject be carefully studied before a serious legislative proposal is formulated. The wisdom of the policies underlying the details which it is proposed to incorporate in such a statute should be carefully weighed, and the legislative determinations should be formulated and phrased with the utmost precision. Unless the determination of the policies of arbitration legislation be based on intimate knowledge of fact and law and unless the translating of those policies into a statute be done with care and skill there is grave danger that compulsory arbitration even though constitutional may not prove to be desirable.

## DISCUSSION OF TRADE UNIONS AND COMPULSORY ARBITRATION

GEORGE E. BARNETT, Johns Hopkins University: A considerable part of the objection on the part of unions to arbitration as a means of settling industrial disputes appears to be closely connected with the character of the norms ordinarily used by arbitration boards in reaching a decision. As long as disputes are local in extent, the boards ordinarily use as their chief norm wages in other localities, and the decisions are based on the principle that the same work should yield the same remuneration in all localities, with some allowance, perhaps, for differences in the cost of living. As the area of collective bargaining increases and differences between employers and localities disappear this criterion no longer affords the basis for a decision.

In national disputes, the boards ordinarily set conditions either by a comparison of the existing conditions in other industries or by a comparison of the cost of living at the time of the arbitration with that at the time when existing conditions were fixed. The first method is not practicable, since there does not exist any method of measuring the amount of skill, hazard, *etc.*, required in one trade as against that required in another. Roughly one may say, perhaps, that this is a skilled trade and that is an unskilled one, but the differences in skill are not measurable in wage values. Under these circumstances, the boards almost always fall back on the statistical data measuring the cost of living. The reasoning runs in some such fashion as this: The cost of living has increased. It is desirable that the standard of living of the workman should be maintained. Therefore, wages should be increased to the extent that the cost of living has increased. It is obvious that if this principle were rigidly applied the real wages of the workman would always remain exactly the same.

This solution of the problem is not one which commends itself to organized labor. The skilled workman does not regard collective bargaining merely as a means of protecting his standard of living. The minimum wage of the trade unionist, for example, is not set on the basis of affording a decent subsistence. Unions of low-paid workmen may argue before an arbitration board that a certain minimum wage is indispensable to secure a decent living, but in well-paid trades the minimum wage is a pure bargaining device used by the

unions because only by some such device can the wages of groups of men be subjected to collective bargaining. The trade unionist, therefore, does not regard with favor a wage norm which would allow him no participation in an increasing national product. The trade unionist is profoundly convinced that the introduction of machinery and the improvement of technical processes is yielding a constantly increasing production of wealth in which the laborer should share.

There are, of course, no adequate statistical data for the measurement of the course of wealth production; but it appears possible to introduce into the deliberations of arbitration boards one set of statistical data which, on certain assumptions, may be regarded as capable of yielding conclusions as to whether real wages in the trade should be advanced. That criterion is the course of wages in other highly organized trades.

If it is assumed that in the well-organized trades, where wages are set by collective bargaining, wages generally over considerable periods of time are influenced by the increasing production of wealth, a criterion of wages, dynamic in character, is secured which may be used in conjunction with other criteria to settle wages in arbitrated cases. Whether the result would meet the expectations of the trade unionists is, of course, a question which I cannot touch upon here, but at any rate, the logical basis of the new criterion would be one which conforms more closely to the theory of trade unionism.

It may be objected that the use of such a measure would result in a deadlock after wages had been arbitrated in a number of trades, since decisions in any new arbitrations would be based on wages set under the old. But this objection would be valid only if arbitration extended over a considerable part of the industrial field. Just as differences in wages in different localities cease to be useful as wage criteria when wages are standardized over a wide area, so the course of wages in other highly organized trades would lose its value, if arbitration became the ordinary method of settling disputes. But as long as arbitration is exceptional, and exists in the midst of conditions set by bargaining, the use of this criterion appears to offer a highly valuable aid to the arbitrator.

EVERETT P. WHEELER, New York City: I was much impressed with what Mr. Brady, Secretary of the Allied Printing Trades Council, said this afternoon. He declared that the solution of the difficulty between capital and labor is not in governmental interference by force, but that we ought to study the relations between employer



and employee in a liberal spirit and learn that we owe something to each other. The impression, he went on to say, is that the colleges are in the hands of men who have received their appointments under foundations created by those who have robbed the public.

The latter part of his observation shows a distrust which is unfortunate. Is it true of this great university, under whose auspices we are hospitably entertained? Our late mayor, for example, Seth Low, who has been taken from us during this past summer, and to whose liberality we owe that beautiful library building—nobody could ever say that of him. He had, I know, the confidence of our friend, the chief of the brotherhood of locomotive firemen. I think he had the confidence of the people of this city.

I was myself a public school boy and graduated at the College of the City of New York. Nobody could say that any of the foundations there were created by those who robbed the public. In both institutions, to my certain knowledge, this very study of social ethics that Mr. Brady feels is important, is pursued. We are taught in Columbia and in the College of the City of New York and in many other colleges, too, as well as in our churches and synagogues, that each man owes a duty to his fellow-man.

This whole subject of arbitration should rest upon that principle. For my part—some of you know that I have no connection with these great aggregations of capital that have been spoken of tonight—I have worked hard and earned an honest living since I graduated from the law school, but not through any nefarious influence of the money power of the "master class," as our friend denominated it this afternoon. I want to urge upon you all, and I want to urge upon him that there is no such thing in this country as a "master class;" there is no such thing as an organized body of capitalism that is at war with honest labor. There are greedy capitalists, but then—I won't ask Mr. Carter to admit it, but I am sure he wouldn't conscientiously deny it—there are sometimes greedy and selfish labor leaders. You know, we are not any of us perfectly free from fault.

Let us look at things just as they are. If we do, we must admit that this is still the land of the free; that we are still living under the American system of democracy and there is no such thing in this country as a "master class." It would be intolerable that there should be a master class, because that implies a servile class, and that is abhorrent to the very idea of American freedom.

What is involved in the idea of American freedom? Is it not this—that every citizen has equal civil rights, and that in order to en-

force those rights and prevent anyone from interfering unduly with the rights of his neighbor there should be a tribunal whose business it is to decide peaceably any differences that arise between them, and which has power to enforce its decision? To my mind, that is fundamental in our American democracy, and it is fundamental in civilization. Civilization involves the idea of mutual respect for each other's rights, and it provides an impartial tribunal to decide matters when men differ. It is inevitable that there should be differences. The question is, are we to be civilized and settle those differences peaceably, or are we to be barbarians and find the remedy in war?

There was a time centuries ago when there was a master class. There were many long periods when the only remedy that working men had was war, because there was no peaceable redress. I admit further that if you do not have a tribunal with adequate power to do justice, the strike is the only other economic weapon. But if such a tribunal is provided, then the strike is a violation of the fundamental rights to which I have called your attention. It is a combination by men not elected by the people and not accountable to the people, to prevent other citizens from exercising their rights.

Take for example the strike that was threatened last August. I was in Chicago at the time, and with a good many other New Yorkers was much in doubt as to whether I could exercise the right to get home. In Chicago during that last week before the fatal Monday, the 4th of September, the trains were running all night, bringing provisions into that city which on the following Monday under the decree of the brotherhood was to be blockaded. The city was to get no milk, no wheat, no grain, no food of any sort—it was to be starved out. Is that a right to be protected by the constitution—the right to starve people? The cities in this country now contain half of the whole American population. The fact that we live in cities prevents us from raising our own food. Is it not within the power of the government to provide a method by which such forcible blockades can be prevented?

We have gone a great way in governmental supervision. The labor law of this state, for example, provides in detail that most corporations must pay weekly, but that steam surface railroads may pay semi-monthly, that in general in certain trades eight hours is a day's work, but that brickyards, street car and elevated lines may have ten hours, and so on. It provides in great detail how factories shall be constructed. All these provisions can be enforced by the courts. The power of the government to exercise plenary jurisdic-

tion in matters affecting the public safety cannot now be disputed, though it was disputed in the past. The power to regulate interstate commerce is ample for dealing with all controversies which affect interstate commerce.

It is claimed that involuntary servitude is involved in compulsory arbitration. But that cannot be called involuntary servitude into which a man voluntarily enters. Nobody is obliged to become an engineer or a fireman, but if a man voluntarily becomes an engineer or a fireman, the government has the power to make him keep his contract. This was expressly held by the Supreme Court in *Robertson v. Baldwin*, 165 U. S. 281. The court said that a service which was knowingly and willingly entered into could not be called involuntary. This was the case of seamen. Men should remember when they enlist in public service that they are in the service of the public. An engineer ought to feel that his position is just as honorable as that of the railroad president, just as important, just as much in the public service. And if the law can say to the president, "You must run your trains this way; you must not employ your men more than so many hours; you must provide such brakes and other equipment," Congress can equally direct the railroad engineer to perform his contract. He cannot claim to be exempt from the law. The whole system is within the power of Congress. In the *Debs* case, 158 U. S. 564, the Supreme Court held that a carrier by land was just as much performing a public function and subject to the same rules as a carrier by sea. In the same case it held that there was no violation of a constitutional right in an injunction prohibiting the leaders of an organization from obstructing the carriage of the mails and commerce between the states by ordering their men to strike.

These decisions which have been referred to are based upon the grant of power to Congress (art. I, sec. VIII) "to regulate commerce with foreign nations and among the several states." To quote from the Supreme Court (*Inman S. S. Co. v. Tinker*, 94 U. S. Rep. 238-245), "The commerce clauses of the constitution had their origin in a wise and salutary policy. They give to Congress the entire control of the foreign and interstate commerce of the country." This decision is based, in its turn, upon the fundamental principle of construction established by the Supreme Court in *McCulloch v. Maryland*, 4 Wheaton, 316, 405, 409: "The government of the Union, though limited in its powers, is supreme within its sphere of action. This would seem to result necessarily from its nature. It is the government of all; its powers are delegated by all; it represents

all, and acts for all. . . . The government which has a right to do an act, and has imposed on it the duty of performing that act, must, according to the dictates of reason, be allowed to select the means."

Congress therefore should provide a tribunal with power on the one side to fix rates and equipment, and on the other side to fix wages, hours of labor, and conditions of work — in short, to regulate the whole business of transportation. Congress may and should lay down general rules, but leave to commissions the right and the duty to apply those rules. It has already established general rules for the administration of the railway service in many respects. All it has to do is to extend those rules to the employees and to impress upon them a duty similar to that which is impressed upon the superintendents and the railroad presidents, and you have the whole thing complete, with the vital exception of the composition of the board.

I doubt if there ever was a better arbitration commission in this country than that which was appointed by President Roosevelt to settle the coal strike. It is perfectly possible for other presidents to get as good commissions. Instead of having each side put forward its representatives and then having an umpire or two umpires selected, the whole board should be selected by the executive. Get an impartial and permanent board with full jurisdiction over the whole subject, and then make its award binding on both sides. If it hits the railroad, the railroad must submit, and if the employees don't like it, they ought also to submit. If any individual feels that he doesn't like his job, let him try and get another. But it could not be pointed out better than Mr. Parkinson has pointed out, that the effect of a strike is not to give a chance to another man to get a job, and is not to get the striker another job, but is to prevent any other man from getting the worker's job and to get him reinstated on better terms. There is no law and no constitution that gives a man a right to that. It is much to the public interest that we should convince Congress to adopt the recommendation of President Wilson that there should be a tribunal with power to fix the terms of employment, that strikes should be illegal until that tribunal passes upon the situation, and that, to use the President's language, "The situation which existed in August should never be allowed to occur again."

MR. METZGER: I should like to ask Mr. Carter how he proposes to settle labor disputes without arbitration. Who will settle them, if labor and capital cannot come together?

MR. CARTER: In reply to Mr. Metzger's question, I will say that the world is old, and that it has now for the first time got arbitration in a compulsory form. I will say that it has got along fairly well for some four thousand years, and we shall do fairly well by the same processes for the next few years.

MR. METZGER: Has Mr. Carter ever been an employer of labor?

MR. CARTER: No.

MR. METZGER: That is why he speaks that way.

## THE DESIRABILITY OF BOARDS OF ARBITRATION AND SUGGESTIONS FOR A LAW CREATING SUCH BOARDS

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The statutory right of boards promptly to investigate disputes, either before or after strikes or lockouts, will tend to create a desire on the part of the contending parties to settle controversies. Unless one side feels sure that it has a losing cause, both sides will be inclined to resent outside influence.

There is a general impression that the public finally pays the bills, or losses, resulting from strikes and lockouts. This is never wholly true, and sometimes not true in any degree. The public does not pay the workman for his lost time. If an increase of wages, or shorter hours, result from a strike by employees of a public utility corporation, the public does not pay the loss to the company, which cannot increase its price for services. The public, however, sustains serious loss, due to unsettling of business. The public is, generally, unnecessarily inconvenienced.

It is a fact that state boards are seldom called in to settle labor disputes. Why should this be so? If there have been any cases of arbitration consummated before state boards in the United States, they have escaped my notice. Nevertheless, the boards have done much good work.

The one essential is that the parties to an individual dispute shall meet and discuss the question, and if the state must use compulsion, it should first be used in the direction of requiring such meetings to be held before a strike or a lockout shall be inaugurated; or in lieu of such meetings it should be obligatory upon each of the parties to see that the state board is notified of the impending trouble and given time to investigate.

Some of the largest associations of employees in this country are required by their constitution to offer to arbitrate questions of controversy before a strike can be legally inaugurated. It is possible, of course, to make such offer in a way that will assure its rejection. Strikes by local sections of these organizations do take place sometimes, without the offer of arbitration first being made. The representatives of these same organizations are known to be opposed to compulsory arbitration, and that too while advocating that compulsory requirements, so far as employers are concerned, shall be provided for in local franchises.

The boards appointed by several states have been almost unanimous in the opinion that the several statutes under which they act are defective, and have recommended changes. The necessity for change in existing statutes pointed out by them should aid materially in the passage of practically uniform laws by the states.

In at least one state (Maine), it is made the duty of mayors of cities and selectmen of towns to give the board notice of impending industrial trouble. This is a good feature, for too often the boards hear nothing of the disturbance until after the contending parties have become embittered toward their opponents and conciliation is already out of the question.

For states to compel the employee and the employer to live up to the terms of an industrial agreement for a definite time, and until sixty days' notice of either party of a desire to terminate it, can hardly be classed as involuntary servitude, the agreement being one that each party is competent to enter into and one that cannot be construed as against public policy.

It will doubtless be claimed that even if the law makes time contracts legal, they cannot be enforced against employees. Possibly not through the courts. The employees of a great railroad system cannot be punished, and a vast majority of employees would be execution-proof in an attempt to collect damages; but there would seldom be occasion to invoke the law. Men entering into a time contract containing a provision for the arbitration of all controversies respecting the terms of the contract, and of all new questions that may arise outside of such contract, will generally live up to the terms of the agreement during the life of the contract.

Should the courts not accept the principle of enforceable time contracts, in trade agreements which require the employer to continue to employ his workmen, and the employees to bind themselves to work for a definite time—on the ground that this would be involuntary servitude when generally applied to the industrial situation—it is still conceivable that it might be applied to railroad systems and public utilities. In scores of instances the police powers of a state or city are invoked where no agreement and no statute confers such powers on the state or city. It is hard to conceive of an instance where such powers could be invoked more to the interest of the public and for the preservation of life and property than in preventing or terminating a great strike or lockout in public utility corporations or railroads. The composition of boards is an important question. The usual provision is for boards to consist of three

members appointed by the governor. These are usually appointed, one member from among employees, one member from employers, and one from the professions. Such appointments do not provide a satisfactory board.

Some capable and active members of boards are of the opinion that the present public desire is for the publicity of correct statistics, and that when this information is had public sentiment will compel a reasonable solution. Agreeing that correct statistics should be given to the public, the information could not be obtained, as a rule, in time to be of value in forming public opinion concerning the merits or demerits of an impending industrial disturbance; nor will the public, during the period of such disturbances, be more competent or more disposed to agree and settle the question amicably and fairly than will the parties themselves. The great mass of the public will be guided largely by its sympathies and not by reason.

A public utility company might very properly be compelled to continue the employment of its men for a definite time, as it is known in advance that it will have work for them; not so a machine shop, a cotton mill or a steel works.

All trade agreements should be for definite periods, and in addition should provide for a further continuance until the expiration of sixty or ninety days after notice of one or both parties that a termination is desired.

Unquestionably local boards of arbitrators are at present preferred to state boards by both employees and employers. This is doubtless due in a measure to the fact that each party can feel sure of having at least one member of the local board to represent its interests, and can enjoy at least an equal chance of having two such members.

The states of Australasia were the first and practically the only states or colonies to inaugurate compulsory labor laws. There has been much dissatisfaction in some of the provinces; and yet it is a fact that laws which were enacted in New South Wales in 1901, to remain operative for seven years, were re-enacted in 1908.

*The following are points for consideration in framing a bill:*

1. Specifically enact that it shall be lawful and that each of the parties, employee and employer, shall be competent to make a valid contract or trade agreement, wherein the one shall be bound to render faithful service and the other to give employment for a fixed and definite period of time, and until one of the parties shall have given due notice to the other of its desire to terminate said agree-



ment, and to provide in said trade agreement for settling definitely all questions of controversy that may arise over the construction of the contract and over new questions not covered by the contract, by arbitration.

There is a strong and well-founded objection to compulsory arbitration and especially to such form as may result in what may possibly be classed as involuntary servitude. This feeling is so strong as to cause frequent remarks that men are legally incompetent to bind themselves to work, in the event that an arbitration decision shall require them to work against their will. Hence, the first point for consideration is that the law shall specifically make all persons engaged in operating railways and public utilities competent to enter into time contracts. Personally, I do not think a statute can add to or diminish a man's rights in the premises; but if it satisfies an objection, it can do no harm.

2. Provide that the trade agreement may be executed by representatives of the parties; but require that all employees shall be made acquainted with the conditions of the trade agreement and that the continuance of any employee or the acceptance of employment thereafter shall be deemed an acceptance of all the conditions of such contract.

It would be practically impossible for a great railway system to make and execute a contract with each individual in its employ. Generally, the employees will be represented by officers of unions. Where no unions exist, the employers can have their men name parties to represent them. This will be easy enough with public utilities, but would take time and patience where no union exists among the employees of railways.

3. After the passage of the act it should be unlawful for either employees or employers engaged in operating railways or public utilities to inaugurate or to encourage the inauguration of a strike or lockout without first giving a written statement of its demands and grievances to the other party, a copy of which notice should be delivered to the state board of conciliation and arbitration.

Possibly a section, such as is here suggested, should provide that, at a date subsequent to the passage of the act—say ninety days—the act should become operative.

4. Provide for the establishment of a state board of conciliation and arbitration, which shall consist of five persons, one of whom shall be an employee (or representative), one an employer (or representative), and the others members of the bar.

The suggested composition of the personnel of the board is a radical departure from the existing practice. Several reasons may be mentioned in support of this departure: It is a generally admitted fact that the boards in the several states have been given less consideration than the importance of their positions demands. As the members of the board are generally strangers to both employee and employer, neither of the contending parties can feel sure of a friend at court. Therefore both prefer a local board for arbitration. Each side, in the event of local arbitration, realizes that the determination of the most vital questions is to be made by the third man or umpire, and each naturally hesitates to entrust so much to the opinion of one man.

In the suggested section, both employees and employers are provided with a representative on the board, and these two are made the active mediators and investigators, the other three men sitting only as judges, and free from sympathy or prejudice.

The three members should be taken from the legal profession, that they may be neither employees nor employers, that they may have a judicial temperament, and that the board may be given as far as possible the character of a court of law. Local boards of arbitration should consist of five persons of the same callings or vocations as the state board, so that the vital questions would be determined by three persons instead of one. This would assure a broader and doubtless a fairer hearing and would remove the embarrassment that follows a decision by one man.

5. The duties of the board should be to attempt to conciliate employees and employers whose differences threaten industrial disturbances, and to arbitrate, or cause to be arbitrated, questions of controversy; to encourage the making of trade agreements between employees and employers; to prepare or to approve the general form of trade agreements, and to facilitate in every way the carrying into effect the intent of the act.

The approval of the general form of contracts or trade agreements by the board is desirable, to avoid the necessity of the employees' retaining attorneys to look after their interests, and to avoid features being incorporated in the agreements that might be construed into involuntary servitude or compulsory conditions.

6. On the receipt of a notice (of impending trouble), such as is provided for in a preceding section, it should be the duty of the two members representing employees and employers to proceed to the

place of threatened disturbance and attempt conciliation. Failing in this, they should require arbitration under the terms of the agreement, if one exists, or advise local arbitration if no agreement exists.

In the event of the contending parties not agreeing to arbitrate, or failing to agree on arbitrators, the two members of the state board should submit as full a report as is practicable to the remaining three members of the board, who should determine all the questions at issue and publish their findings within thirty days from the receipt of notice from one or both of the contending parties.

The findings of the board should be binding upon the parties to the trade agreement.

There is no compulsory arbitration about this. If an agreement exists providing for arbitration, the mediators see that the provision is carried out, and the decision becomes binding.

If no arbitration agreement exists, the mediators try to bring it about. But, failing in this, the state board determines the questions and publishes findings, and trusts to public opinion to force an acceptance by the parties.

7. Provide that in the event of any member of the state board being unable to serve, from any cause, the other members may appoint a person to serve in his stead in the pending case.

This section would be essential if the board is to become an active factor in settling controversies. Of course, the board would have to make the temporary appointment from the class to which the absentee belongs.

8. Provide that trade agreements shall be so drawn as to permit men to retire from employment for all ordinary or usual causes, and to permit employers to remove men for incompetency or unfaithfulness; in other words, provide only against strikes and lockouts, leaving both parties the greatest freedom consistent with a due regard for the rights and necessities of the public, and with the proper safeguarding of life and property—this, together with the enhancement of the welfare of the employees and the protection of the employers' lawful interests, being the intent of the enactment.

If it can be properly covered by statute, local arbitration boards should be compulsory and should be chosen, one each by employees and employers, and the remaining three by the first two, or—failing to agree—then by the state board.

This suggestion is made chiefly with the view of carrying into effect the spirit of the section that the form of the trade agreement shall require the approval of the state board.

## FEDERAL INTERVENTION IN LABOR DISPUTES UNDER THE ERDMAN, NEWLANDS AND ADAMSON ACTS

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THE first case of successful federal intervention in attempted settlement of a railway labor dispute occurred in December 1906. The intervention was in the nature of mediation and led to the submission of the matters at issue to arbitration. Both the original mediation and the later arbitration proceedings were carried out under authority conferred by the Erdman Act of 1898. This act, therefore, the first under which effective federal intervention was achieved, was on the statute books more than eight years before its provisions were successfully applied.

The Erdman Act was adopted in 1898 primarily as an arbitration law—as a means of encouraging voluntary resort to arbitration in disputes that could not be settled by agreement between the parties themselves. At the time of its passage there was an arbitration law on the statute books, the so-called Arbitration Act of 1888, but no arbitration proceedings had been conducted under its provisions. The Erdman Act was passed in an attempt to improve upon the machinery for voluntary arbitration provided by this act.

It is interesting to note that the Act of 1888 also made provision for compulsory investigation of disputes involving interstate carriers. The President was authorized by the act to appoint a special commission of inquiry in any dispute which interrupted or threatened to interrupt interstate transportation. The commission was given large powers to enable it to get at the facts and was to make public a decision on the merits of the case.

Only one commission of inquiry was actually appointed under this act, the Chicago railway strike commission of 1894.

This commission was not appointed until a week after the strike had been practically lost, and as it did not report until three months later, when the strike had long since been decided, it made no recommendations as to the terms which should be accepted in settlement of that dispute. It did, however, recommend the enactment of much more drastic laws than were then in effect to prevent suspensions of railway service, and thus aided the movement toward improvement of the existing law.

Bills providing for intervention in railway disputes were introduced in every Congress between the report of the Chicago railway strike commission and the passage of the Erdman Act in June 1898. The Erdman Act itself passed the House in substantially the same form three times before it became a law. Its passage was favored by the five labor organizations whose members were covered by its provisions. Those in charge of the bill in the House and Senate declared also that the railroads were not opposed to it; that every interest affected by the bill was favorable to it. In certain railroad circles, however, the law was looked on with disfavor because it recognized the men's organizations, which some of the managers at that time did not. The *Railroad Gazette* expressed the opinion that the act would prove of no benefit to either the roads or the men.

The Erdman Act applied only to those employees of interstate railways actually engaged in train operation and train service. Practically this covered only engineers, firemen, conductors, trainmen, switchmen and telegraphers. Such employees of interstate railways as shopmen, car-workers and freight handlers were not included. It does not appear that the point was raised in either house at the time of the passage of the bill that any important classes of railway employees were being excluded for whom provision should be made in this or some similar bill. The excluded classes of workmen were not at that time sufficiently organized to threaten serious interruptions of service or to press their claims for consideration upon Congress.

The arbitration provisions of the Erdman Act were far superior to those of the Act of 1888, which it superseded. The

parties were not restricted in their choice of arbitrators, as in the 1888 act, to "persons wholly impartial and disinterested in respect to" the matters to be passed upon. A provision was also inserted, which was lacking in the earlier law, that if the two arbitrators chosen by the respective parties failed to agree on a third member to complete the board, he should be appointed by the government. This duty was to be performed jointly by the chairman of the interstate commerce commission and the commissioner of labor. The law also required that the agreement to arbitrate should be in writing and properly acknowledged before a notary or a clerk of a United States court and that a copy should be filed with the interstate commerce commission. The articles of agreement had to contain certain stipulations, among them an agreement not to resort to strike or lockout pending the award of the board, and to execute faithfully the terms of the award for a period of one year. As in the Act of 1888, the boards constituted under the act were given authority to require testimony under oath and the production of books and papers.

Submission to arbitration under the provisions of the act was left entirely voluntary. The award of the board, however, was made legally binding, to an uncertain extent. The parties had to agree in the articles of arbitration that the award should be filed in the office of the clerk of the United States district court in which the controversy arose or the arbitration was entered into and that the terms of the award might be specifically enforced in equity, "so far as the powers of a court of equity permit." This provision was still further safeguarded by the addition of the statement that no workman should be compelled by injunction or other legal process to render personal service against his will. In addition, it was made unlawful, under another section of the act, to strike or to discharge a man unless for inefficiency, neglect of duty, or violation of law, while the arbitration was pending. It was also made unlawful during a period of three months after the rendition of the award to discharge a man or to quit work, without giving thirty days written notice, except for just cause. For an organization representing the employees to

order or advise such quitting was also made unlawful. No penalties were prescribed for violation of these provisions other than liability for damages. The binding force of these provisions was never tested as, fortunately, no award made under the act was repudiated by either party.

The Erdman Act also authorized mediation by federal officers when requested by one of the parties and accepted by the other. This was a very important step in advance, as the Act of 1888 made no provision for mediation. The future possibilities of the mediation feature of the law were not realized at the time, however. The provision for mediation appears almost incidental—as little more than a means of giving the more amicably disposed party an opportunity to have federal officers urge the other party to submit to arbitration under the conditions laid down in the act. No special agency of mediation was created. The duty of offering mediation when requested by one of the parties and of mediating if the offer was accepted, was imposed as an additional official duty upon the chairman of the interstate commerce commission and the commissioner of labor. These officers were not authorized to offer mediation on their own motion before a request was received from one of the parties. There was no provision in the act for an investigation if a settlement apparently could not be reached by agreement or submission to arbitration.

The first attempt to utilize the provisions of the act was made about a year after its enactment and met with failure. In this case the employees' representatives invoked the aid of the mediators with a view to securing arbitration of demands of switchmen in the Pittsburgh district which had been refused by the several roads involved. The roads declined the offer of mediation. Apparently they assumed that mediation would merely lead to the suggestion of arbitration and they were unwilling to submit to arbitration. After this inauspicious start the act slumbered for more than seven years before its provisions were again invoked. This time it was a railroad, the Southern Pacific, which sought the aid of the federal officials, in a controversy which involved a jurisdictional dispute between two of the brotherhoods. The offer of

mediation was accepted and resulted in the submission of the unsettled matters to arbitration.

From this time on until it was superseded by the Newlands Act in 1913, the provisions of the Erdman Act were used very frequently and with astonishing success. In all, there were 61 interventions under this act. In 40 of these, settlements were arrived at through proceedings under the act, and in 36 (of the 40), as a result of mediation. In nearly all the remaining 21 cases the parties were able to settle the matters at issue by themselves after the request for mediation had been sent in. In only a few cases was mediation declined by the party to which it was offered and none of these was an important case, from the standpoint either of mileage involved or of the consequences of the refusal of mediation. In many cases mediation was requested by both parties to the dispute.

In only one controversy did a strike occur after mediation had been accepted. In this case the mediators withdrew immediately after entering the case because the men's representatives refused to postpone the strike which had been set for the next day. This strike involved two thousand switchmen on thirteen roads entering St. Paul and Minneapolis. It occurred in November 1909. The men lost the strike. This was the only strike of importance—from the standpoint of mileage, men involved and duration of the strike—which occurred, either after or without a request for mediation, between 1907 and the repeal of the Erdman Act.

One of the most gratifying features of the results obtained under the act was the large number of cases settled by mediation alone. Only four cases were submitted to arbitration without prior mediation; only eight disputes in which mediation was attempted had to be given up to arbitration. In the other twenty-eight cases the mediators brought the parties to agreement upon the actual terms of settlement. Too much credit for the remarkable record of successful mediation under this law cannot be given to Commissioner of Labor Neill and Judge Knapp of the interstate commerce commission and later of the commerce court. These two men administered the act from 1906 down practically to its repeal in 1913.



What finally led to the repeal of the Erdman Act and the substitution for it, in 1913, of the Newlands Act, was the dissatisfaction of the railroads with its arbitration provisions. The railroads objected particularly to the three-member-board requirement of the Erdman Law. They were reluctant to submit large issues, involving a large number of roads and millions of dollars in wages, to the decision of a single neutral arbitrator. When the law was adopted, and for several years thereafter, the road or system was the unit of collective bargaining. Since that time each of the brotherhoods had made considerable advance toward standardization of wages and conditions as between the various roads. Consequently, the region or section became the unit of settlement for such issues. By 1906, the practice of the representatives of each class of employees taking up big issues in one conference with a single committee acting for practically all the roads of the section was established in the West. The men's organizations adopted the same plan of concerted action on the roads of the East and also on the roads of the South a few years later, and the roads of each of these sections also finally came to meet the men's representatives as a unit for purposes of collective bargaining on matters that could be settled on a uniform basis. Obviously the submission to arbitration of a difference involving practically all the roads of the West, the East, or the South, was a much more serious matter than any arbitration with which the country was familiar when the Erdman Act was passed.

The first regional arbitration under the act occurred in 1910. It involved the wage demands of the firemen on the western roads and the suggestion to refer the matters to arbitration came from the roads. In the spring of 1912, however, the eastern roads were unwilling to accept arbitration under the Erdman Act in settlement of demands made by the engineers for increases in and standardization of wage rates. The roads proposed instead that the issues be submitted to arbitration by a larger board acting without statutory powers. The engineers agreed to this. The arbitration board consisted of seven men. Each of the parties selected one man and the

five neutrals were selected by the commissioner of labor, the presiding judge of the commerce court, and the Chief Justice of the United States, from a list of names agreed to by the two members chosen by the parties.

The method of conducting the proceedings in this case, the matters taken into consideration by the board of arbitration, the terms of the award, and many statements in the published report of the board were unsatisfactory to the men. The engineers' representative on the board refused to sign the report. As a result of this experience with this non-statutory board the men were resolved to insist in the future on boards with such powers of inquiry and such limitations to the matters directly referred to them as were provided in the Erdman Act. The next regional arbitration, that in the controversy between the eastern roads and the firemen in March and April 1913, was carried out under the Erdman Act. It was, however, the last arbitration under that act.

In 1913 the Senate passed a bill which was intended to improve the arbitration provisions of the Erdman law so as to make them satisfactory to both the roads and the brotherhoods. This bill, the Newlands bill, later became a law without substantial alteration and is still in effect. It was a distinct advance over the Erdman Act in its arbitration features, which permit arbitration by a board of six—four members appointed by the parties and two neutrals—where that is preferred, and make provision for a re-convening of the board, or of a sub-committee chosen by the board in advance for that purpose, to decide disputed points in the interpretation of the award. It also requires that the conditions under which the arbitration is entered into shall be laid down more definitely in the articles of arbitration agreed to in writing. There is no more compulsion in the Newlands Act than in the Erdman Act; in fact, in the language of the act there is less. The clauses in the earlier act as to enforcement by equity proceedings and the unlawfulness of strikes and discharges pending arbitration and for three months after the rendition of the award are omitted.

The Newlands bill included two other changes, the desira-

bility of which had been made evident by the experience under the Erdman Act. First, the limitation of the offer of mediation to cases in which it was requested by one or both of the parties was removed. The mediators were empowered to offer mediation when a suspension is seriously threatened, without waiting for a request. Second, an independent agency was created for mediation and for the giving of aid in carrying out the arbitration features of the act. With the development of the mediation function, and with the removal of the limitation on the offer of mediation, it was clearly desirable that special offices should be created for this work. The creation of an independent commission or board was also desirable in that it freed the operation of the act from connection with any executive department. Had the law not been changed, the commissioner of labor statistics, who had been transferred to the Department of Labor by the act establishing that department in 1913, would have been one of the two officers charged with mediation and with the choice of neutral arbitrators. This connection would have interfered greatly with his usefulness in mediation and in the formation of arbitration boards.

The Newlands bill was hastily enacted into law, with two minor amendments, in order to avert a threatened strike of conductors and trainmen on forty-two eastern roads in July 1913. The men were willing to abide by arbitration of their demands under the Erdman Act, but the railroads refused to submit again to arbitration by a board with only one neutral member. The men did not object to a larger board, but they did insist on a board empowered to compel testimony under oath and to require the production of books and papers, and restricted in its award to the matters specifically referred to it, as required by the Erdman Act. The parties had apparently reached a deadlock, and the leaders of the two brotherhoods involved had been given authority by an overwhelming vote to set the day and hour for the inauguration of the strike.

At this juncture the President of the United States intervened and brought the representatives of the roads and the brotherhoods together in conference at Washington. Members of the committees in the two houses having charge of bills

bearing on mediation and arbitration, and representatives of certain civic organizations which had given attention to the subject, were also present at this conference. The result was an agreement that the pending dispute should be submitted to arbitration under the conditions embodied in the Newlands bill, provided that bill were passed immediately with two specified amendments. These amendments did not essentially change the nature of the bill. The next day the Newlands bill was brought up in the House of Representatives under a unanimous-consent agreement which precluded the offer of amendments other than the two agreed upon at the conference the day before, and passed after a very brief discussion. The same day, these two amendments were adopted by the Senate without any other amendments being offered and practically without debate. Thus the threatened strike was averted. The hasty manner in which the law was enacted, however, prevented the consideration of other changes well worthy of consideration, as, for example, the widening of the scope of the law to include other classes of railway employees, and employees of other agencies of interstate commerce.

The changes in the law were justified by the results obtained under it. Down to July 1916, the board of mediation had secured settlements in 56 cases, in 8 of which it intervened on its own initiative. Eleven of the cases were finally settled by arbitration. In the others the parties were brought into direct agreement through mediation. No strike involving a considerable mileage and lasting more than a few days occurred.

And yet incidents had been multiplying which, taken cumulatively, indicated that the machinery of adjustment was working under a severe strain. For example, there was a four-day strike on the Sunset Lines of the Southern Pacific in Texas and Louisiana in November 1913, and an eighteen-hour strike on all the lines of the Delaware and Hudson in January 1914. In both cases the strike was called by several brotherhoods jointly, and in both, the roads had requested mediation before the strike and the brotherhoods had refused the request of the board of mediation to postpone the strike pending mediation. In both cases the strike was brought to an end by the roads

accepting the recommendation of the mediator, which conceded essentially the contention of the brotherhoods.

A far more significant case was that of the controversy between the western roads and the brotherhoods of engineers and firemen, involving 55,000 men, in the summer of 1914. In this case the men had agreed to submit their demands to arbitration but the roads had refused to go to arbitration unless certain counter-demands, which they had made after the men's demands were received, were also included in the arbitration. The men on the other hand declined to arbitrate on that condition, and had voted overwhelmingly to strike unless the roads receded from their position. The board of mediation recommended that the roads withdraw their demands for the time and accept arbitration on the demands of the men alone. The roads had not accepted this recommendation, and the strike date had been set for August 7.

The strike was averted apparently only by the intervention of the President of the United States. He summoned the parties to a conference, which was held on August 1, and urged the roads on grounds of patriotism to waive the merits of their case and accept the board's recommendation, in view of the calamitous consequences that would ensue from a suspension of service at that particular time on the roads serving over half the territory of the United States. The roads took the President's request under consideration and on August 3 agreed to waive the question of their rights and submit to arbitration of the men's demands alone. They made it clear, however, that they did this solely because of the peculiarly disastrous consequences to the country of a suspension at that particular time. Thus the issue raised by the roads was not met, but merely evaded.

The arbitration secured with such great difficulty was concluded under extremely unfortunate circumstances. After the hearings and arguments before the board had been concluded, and shortly before the award was made, the brotherhoods protested one of the arbitrators appointed by the board, on the ground that he was too closely interested in the financial success of certain railways involved in the arbitration, and

asked for his removal. The board held that the arbitrator's interest in the roads in question was not such as to disqualify him, and refused to remove him. When the award was made, in the spring of 1915, the brotherhoods expressed great dissatisfaction with it. The two arbitrators appointed by the brotherhoods refused to sign the award, declaring that it was unjust and contrary to the legitimate evidence submitted to the board. From that time on much opposition to arbitration was voiced by the men, chiefly on the grounds that the risk of not getting justice from a board was too great and that the roads did not carry out the awards in good faith.

No change was made in the law, however, in the direction of providing further safeguards against a serious suspension. Danger signals there were, of course, and great sectional tie-ups had been averted twice within thirteen months apparently only by the intervention of the President, but they had been averted. No important suspension had actually occurred, however seriously and frequently such had threatened. The law, combined with intervention by the President, had always sufficed to ward off disaster. The need of any provision for the exercise of compulsion of some sort had not been felt with sufficient keenness to bring about legislative action. In fact, it was widely believed that the really remarkable success achieved under the Erdman and Newlands acts was due largely to the absence of compulsory features.

Thus we came down to the 1916 railway labor deadlock with a serious defect in our law. There was no provision in it even for an inquiry in case mediation should fail and arbitration should be refused. The law failed to provide the logical initial supplement to voluntary mediation and arbitration—the appointment of a commission of investigation and recommendation, where mediation and arbitration have failed. There is no compulsion to work or to employ in such a provision; it compels neither party to maintain existing relations; it merely enables the public to get at the merits of the case and to offer, through its representatives, fair terms of settlement. The question of legal prohibition of a strike or lockout is thus left until it has been raised by the refusal of one or both of the

parties in an important case to keep the peace during the inquiry or to accept the recommendations of the commission. There would be in such a law no compulsory feature of general application. The legal compulsion would be applied, if at all, only at the point at which and to the extent to which compulsion was shown to be necessary to protect the public against a serious tie-up. But if this necessity should arise, Congress would then be in a logical position to exercise it.

Had there been such a law on the statute books when this last big dispute arose—providing for the appointment of a commission of inquiry in such cases, to report upon the facts and recommend terms of settlement within a reasonably short period—it is unlikely that the brotherhood leaders would have issued a strike order before the commission had reported. It is also extremely doubtful if the brotherhoods would have rejected the recommendations of the commission and gone on strike after its report had been made. If a strike had been ordered before the commission had reported, or in rejection of its recommendations after it had reported, Congress would have been in a logical position to forbid the strike. Had the railroads refused to give the terms recommended, Congress could itself have given them legal effect.

The circumstances under which Congress entered the dispute of last summer were far different from these. There had been no inquiry, but terms of settlement had already been recommended by the President and these had been accepted by the men and refused by the roads. The date for the strike had already been set and a strike seemed inevitable unless these terms were granted. Congress was asked by the President to give the men these terms by force of law and thus avert the strike. This Congress did, and the strike was called off.

The Adamson Act was not, like the Erdman and Newlands acts, an act providing for a system of mediation or arbitration in interstate railway disputes. It was in no sense an amendment of the Newlands Act. It was itself an act of intervention applying to one particular dispute only. In this it resembled the British Coal Mines Act of 1912, which provided for the establishment of legal minimum rates for coal miners.

Because of the pressure under which it was passed, it did not include provisions for dealing with disputes for the future, although such had been recommended by the President.

The Adamson Act contains essentially four provisions. The first is that after January first next, "eight hours shall, in contracts for labor and service, be deemed a day's work and the measure or standard of a day's work for the purpose of reckoning the compensation for services of all employees" to whom the act applies. These are the employees engaged in train operation on interstate steam railroads exceeding one hundred miles in length. The second section calls for the appointment of a commission of three by the President to observe "the operation and effects of the institution of the eight-hour work day as above defined and the facts and conditions affecting the relations between" the roads and the men during a period of not less than six months or more than nine months from January first next. The commission is to decide the actual length of the period, within those limits. The commission must report its findings to the President and to Congress within thirty days after the close of the period of observation. The third provision is that from January first until thirty days after the commission makes its report the present standard day's wage shall be the minimum wage for eight hours, and for every hour worked in excess of eight the men shall receive at least one-eighth of the present standard day's wage. The fourth and last section provides penalties for violation of the act.

It is clear that this is not an act definitely limiting hours, as are the sixteen-hour law, and the nine-hour law for railway telegraphers, but a specific act of intervention in a labor dispute. It does not limit the number of hours to be worked to eight. It does provide that eight hours shall be considered a day's work for the purpose of reckoning compensation; it thus implies that work in excess of eight hours shall be paid for as overtime, but the amount of pressure will exert on the railroads to reduce the work day to eight hours will depend on the rate to be paid for overtime as compared with the cost of speeding up the trains or shortening the runs. And the



law does not itself prescribe the rates to be paid for overtime, except during the probationary period of not less than seven months or more than eleven months, from January first next.

As a method of government intervention in a labor dispute the passage of the Adamson Law presents certain grave defects. Substantially Congress laid down terms of settlement without inquiry. It established a commission of inquiry, to be sure, to report not less than six and not more than ten months after the act goes into operation, but it did not hand over the essential matters in controversy to the commission for full and free inquiry and without conditions prejudicing their settlement after the commission makes its report. Obviously Congress intended to settle in the law itself the question as to the length of the normal work day, even though it made no effective permanent provision to insure an actual reduction to eight hours. As to the other important issue, that of wages, the law compels the payment during the probationary period of rates considerably in advance of those now prevailing on most of the roads. The payment of these advanced rates during a period of from seven to eleven months cannot fail to create a strong presumption against reducing them, even though it should appear that such an advance over present rates is not justified.

Finally, the commission is given no authority to make recommendations. It is empowered only to report facts. The wage provisions of the act, including the overtime rate provision on which hinges the degree of effectiveness of the eight-hour statement in the law, expire one month after the commission reports. These issues must then come up again for settlement, if the law stands and they are not settled before that. If the parties fail again to agree on the rates of wages to be paid, this law leaves us without definite recommendations as to the rates which should be accepted. The public is left without a guarantee that terms will be laid down which it can call on both parties peaceably to accept.

## A LEAGUE TO ENFORCE INDUSTRIAL PEACE

JULIUS HENRY COHEN

### I

IN discussing "War and Human Progress," Viscount Bryce brings out the distinction between two schools of philosophical thinkers or historians. One of these schools lays stress on "the power of reason and of those higher and gentler altruistic emotions which the development of reason as the guide of life tends to evoke and foster" and finds in these tendencies "the chief sources of human progress in the past, and expects from them its further progress in the future." This school regards man "as capable of a continual advance through the increasing influence of reason and sympathy," and dwells upon "the ideas of justice and right as the chief factors in the amelioration of society." It, therefore, regards "good-will and peace as the goal of human endeavor in the sphere both of national and of international life." The other school, less sanguine, insists "on the power of selfishness and of passion, holding these to be elements in human action which can never be greatly refined or restrained, either by reason or by sympathy;" that social order "can be secured only by force, . . . right itself is created only by force," and that "it is past force that has made what men call right and law and government." The tendency of this second school is "associated with the less rational elements in man—with passion and the self-regarding impulses which naturally attain their ends by physical violence."<sup>1</sup> The conflict between these two philosophies which Viscount Bryce finds is the fundamental provocative of the great international war, thoughtful persons find also is the fundamental provocative of industrial conflict. Inevitably the rational mind finds resemblances in industrial situations illustrating this same conflict of philosophies. In

<sup>1</sup> *Atlantic Monthly*, September 1916, pp. 301-2.

December 1914, Dr. Felix Adler, discussing "Militarism and Its Eulogists," said that while

Self-defense has generally meant standing up for one's own rights . . . anyone who stands up for his rights, who separates in mind his right from the correlative rights of the other party, will inevitably glide over from right into might. He will begin by exercising right and presently change to the exercise of mere might. The only possible way to defend ourselves from that is to bear in mind that our right is an organ in the organism of rights. The great ethical error of the world till now has been that in righteous self-defense men have become most unrighteous, because in self-defense they have thought of their right as sundered from the right of others. Yet my right is but one blade of the shears, and the right of my fellow, even though he be the aggressor, is the other blade.

Applying this principle applicable to the international conflict, he finds it involved in the conflicts of laborers and employers.

Laborers protest [he says] that their employer has been unjust, oppressive. They combine to defend their rights, and in this they are justified. But often the movement of protest, which began with a strike on behalf of right, degenerates into sheer assertion of might. The labor organization, if sufficiently strong, becomes dictatorial, peremptory, formulates demands inconsistent with sound business and with the self-respect of the employer. Now so long as the present industrial system continues, so long as there are employers, the employers have certain rights, because they have certain functions. Unduly to restrict their functions is to destroy their rights. Conversely, the employer may begin by resisting the tyranny of labor, and in so far as he does this we approve of his action. But presently, in defending his rights, he is apt wholly to forget the rights existing on the opposite side, in particular the indispensable right of association. He announces his intention to crush the union of laborers, and thus in his blind assertion of the fractional right which is his, he destroys the integral right which is compounded of his and theirs.<sup>1</sup>

Similarly, Professor John Dewey writes that the neutral countries find themselves

<sup>1</sup> *The Standard*, December 1914, p. 125.

in the position of the public when there is a strike on the part of street-railway employees. The corporation and the employees fight it out between themselves, and the public suffers and has nothing to say. [He says that it is] the nations not at war [who] have the superior right in every case [because] in the existing situation they are the representatives of the normal interests of mankind, and so are in the right against even the contending party that with respect to other contenders is most nearly in the right. [Professor Dewey says that] our existing human intercourse requires some kind of a mechanism which it has not got [and that] instead of setting ourselves in deliberate consultation to institute the needed laws of the intercourse of nations [we wait] for new law to be struck out by the accident of clash and victory.<sup>1</sup>

It would seem, therefore, to be no vain prophecy to forecast that if the sentiment now behind the League to Enforce Peace should prevail and the outcome of the great international war should be the invention of new mechanism for making reason triumphant in international relations, we shall witness a rapid creation of institutions for subordinating industrial conflict to a reign of law. Viscount Bryce before the recent election emphasized

the immense importance of the declarations made by Mr. Wilson and Mr. Hughes as the leaders of the two great American parties. . . . Both have described in clear and strong terms the interest the American people have in the prevention of war and the duty which lies upon it as a peace-loving people to do its utmost for securing the safety of the world in future by a permanent combination for the restraint of aggression and the preservation of a general peace.<sup>2</sup>

Both candidates during the campaign pledged themselves to the principle of arbitration in industrial disputes. Chancellor von Bethmann-Hollweg recently said:

If at and after the end of the war the world will only become fully conscious of the horrifying destruction of life and property, then through the whole of humanity there will ring out a cry for peaceful

<sup>1</sup> *International Journal of Ethics*, April 1916, p. 320.

<sup>2</sup> *New York Times*, October 28, 1916.

arrangements and understandings which, as far as they are within human power, will prevent the return of such a monstrous catastrophe. This cry will be so powerful and so justified that it must lead to some result. Germany will honestly co-operate in the examination of every endeavor to find a practical solution, and will collaborate for its possible realization.<sup>1</sup>

In its recent report upon the car strike forwarded to the governor of the state,<sup>2</sup> the public service commission of the first district of New York declared:

The right of men freely to organize is a legal right no longer subject to question. The right of men freely to select spokesmen or advisers is a corollary of this right. The right to deal or to decline to deal collectively with an organization is likewise a legal right. So, too, the right to employ or to refuse to employ members of a certain organization is a legal right, justified morally in its exercise, according to the circumstances of each case. But the right of the state to have its public utilities operated safely, efficiently and continuously is also a legal right. Which of these rights is paramount? The rights of the people, or the rights of workers or employers? Whatever the application of these rights may be in private ventures, the right and the duty of the state in respect to its public utilities are clearly paramount. It is true that none of these rights, of the state, the worker or the employer, are arbitrable. But the adjustment of these rights so that each may be respected and properly balanced involves important considerations. While all of these parties have clear rights, the manner of exercising them is of the highest importance. The methods commonly accepted as moral are the methods of argument and persuasion, and the methods commonly condemned are those of coercion or oppression. Neither should the men coerce acceptance of their views, nor the company coerce acceptance of its views. Even if the company has the legal right to discharge union men, it is questionable whether it can justify itself on moral grounds.

With public utilities, where the necessities of the people depend upon their operation, it should not be permitted to any group of men, be they employees or employers, to inconvenience and bring distress upon the whole people for the purpose of securing acquiescence with

<sup>1</sup> *The Sun*, November 10, 1916.

<sup>2</sup> August 10, 1916.

its views. This is to substitute coercion arising out of the necessities of the public for persuasion as a method for securing recognition of concededly non-arbitrable rights.

It is a very significant indication of the movement for judicature in industrial conflict that in recent industrial controversy strong and fervent appeals for arbitration come first from one party and then from the other. In the cloak strike of 1916 it was the union which, in its appeal to the public, declared that it had

been consistently opposed to a warfare in the industry [and believed] that the problems of the industry cannot be satisfactorily solved either by lockouts or strikes, but only through patient resort to the method of fairminded discussion, adjustment and democracy, [and that its only demand was] that both sides should submit their disputes to the arbitrament of an impartial body, whether that body be called a board of arbitration or a council of conciliation.

In the 1916 railroad situation it was the national conference committee of the railways which called upon the public to decide whether or not "this wage problem [should] be settled by reference to an impartial federal tribunal . . . or by industrial warfare."<sup>1</sup> On the other hand, in the case of the cloak strike, the manufacturers took the position that "We do not believe in outside bodies interfering in our affairs."<sup>2</sup> And in the case of the railway employees, the leaders of the brotherhood contended that they were

in the grip of a power greater than we [themselves]. [Indeed, so they said, they were in the condition where] the veneer of civilization falls off, and you have the primeval man to deal with on both sides of the question . . . and, like the primeval man, both are prepared to appeal to the club. . . . In other words, they (the railroads) won't arbitrate where they fear, and there is nothing to arbitrate where there is no fear.<sup>3</sup>

<sup>1</sup> Advertisement, *New York Times*, June 26, 1916.

<sup>2</sup> Editorial, *New York Times*, May 27, 1916.

<sup>3</sup> *Minutes of Hearing before the Committee on Interstate Commerce, U. S. Senate*, pp. 25 and 28.

Accordingly, the men refused to arbitrate. These illustrations suffice to indicate that in our country the demand for arbitration of industrial disputes is not confined to labor or to capital, nor is the refusal to arbitrate confined to either. The slightly deaf gentleman, being asked concerning the points of the compass, replied "You can't tell. It shifts around up here," believing that he had been asked concerning the direction of the wind. If you happen to be in control of the situation, or think you are in control, you are not for arbitration. If you happen to be weaker than the other party, or think you are, you are a sturdy advocate of the principle of arbitration. There is no monopoly in this country of this shiftiness of position. A recent study of the experience of arbitration in Australasia discloses a similar experience there. When there was a large surplus of labor in Australasia and standards of wages were beaten down by the competition of the unemployed, the trade unions sought the establishment of wage boards and compulsory arbitration. When there was a shortage of workers and labor secured the upper hand, it was the employers who fought for the maintenance of arbitration.<sup>1</sup> It is significant that in this country now, when there is a labor shortage, the demand for industrial arbitration comes most strongly from the employers' group.<sup>2</sup> The manager of a large enterprise in St. Louis, we are told by a trade journal, "struck the nail on the head in advocating the appointment of a government commission, to adjust differences arising between labor and capital, just as the interstate commerce commission now adjusts troubles between the railroads and the shippers."<sup>3</sup>

Indeed, the Syndicalists seem to be the only industrial advocates who consistently decline arbitration.

Workmen quickly perceive that the labor of conciliation or of arbitration rests on no economico-judicial basis, and their tactics

<sup>1</sup> See *Arbitration and Conciliation in Australasia*, by M. T. Rankin. London, 1916. Ch. vi, Arbitration Court System.

<sup>2</sup> See Merchants' Association of New York plan to prevent the interruption of public utilities, *Greater New York*, September 25, 1916.

<sup>3</sup> *Daily Trade Record*, October 28, 1916.

have been conducted—instinctively perhaps—in accordance with this datum. Since the feeling and, above all, the vanity of the peacemakers are in question, a strong appeal must be made to their imaginations, and they must be given the idea that they have to accomplish a titanic task; demands are piled up, therefore, figures fixed in a rather haphazard way, and there are no scruples about exaggerating them; often the success of the strike depends on the cleverness with which a syndicalist (who thoroughly understands the spirit of social diplomacy) has been able to introduce claims, in themselves very minor, but capable of giving the impression that the employers are not fulfilling their social duty. It often happens that writers who concern themselves with these questions are astonished that several days pass before the strikers have settled what exactly they have to demand, and that in the end demands are put forward which had not been mentioned in the course of the preceding negotiations. This is easily understood when we consider the bizarre conditions under which the discussion between the interested parties is carried on.

I am surprised that there are no strike professionals who would undertake to draw up lists of the workers' claims; they would obtain all the more success in conciliation councils as they would not let themselves be dazzled by fine words so easily as the workers' delegates.

When the strike is finished the workmen do not forget that the employers at first declared that no concession was possible; they are led thus to the belief that the employers are either ignorant or liars. This result is not conducive to the development of social peace!<sup>1</sup>

One of the things which appear to me to have most astonished the workers during the last few years has been the timidity of the forces of law and order in the presence of a riot; magistrates who have the right to demand the services of soldiers dare not use their power to the utmost, and officers allow themselves to be abused and struck with a patience hitherto unknown in them. It is becoming more and more evident every day that working-class violence possesses an extraordinary efficacy in strikes: prefects, fearing that they may be obliged to use force against insurrectionary violence, bring pressure to bear on employers in order to compel them to give way; the safety of factories is now looked upon as a favor which the prefect may dispense as he pleases; consequently he arranges the use

<sup>1</sup> *Reflections on Violence*, by Georges Sorel. Translated by T. E. Hulme; pp. 64, 65.



of his police so as to intimidate the two parties, and skilfully brings them to an agreement.

Trade-union leaders have not been long in grasping the full bearing of this situation, and it must be admitted that they have used the weapon that has been put into their hands with great skill. They endeavor to intimidate the prefects by popular demonstrations which might lead to serious conflicts with the police, and they commend violence as the most efficacious means of obtaining concessions. At the end of a certain time the obsessed and frightened administration nearly always intervenes with the masters and forces an agreement upon them, which becomes an encouragement to the propagandists of violence.<sup>1</sup>

Sorel says:

We cannot censure too severely those who teach the people that they ought to carry out the highly idealistic decrees of a progressive justice.<sup>2</sup>

There is not much difference between this philosophy of Sorel's and the point of view of many—Praise be the Lord! not all—successful employers and successful leaders of labor. The writer in the financial columns of a daily paper in New York appeals to business men to realize what it means to find the attitude of labor "like that of capital. Both take what they can get in the present, intent only upon the highest profit; both refuse to be responsible for the sequel, and neither one can spare the time to attend to the future."<sup>3</sup> Goethe saw this struggle for power, the unwillingness to surrender power and the unwillingness to be bound by power. The thirst for power would not let the ghost be laid:

How often has it risen! Yes, and it will rise  
Ever and evermore! No man yields sovereignty  
Unto his fellow: none will yield to him  
Who won the power by force, and by force keeps his hold.  
For man, who cannot rule his own unruly heart,  
Is hot to rule his neighbor, bind him to his will.

<sup>1</sup> Sorel, *op. cit.*, pp. 69-70.

<sup>2</sup> *Ibid.*, p. 122.

<sup>3</sup> Garet Garrett, Finance-Economics, *New York Tribune*, October 23, 1916.

of the powers, but the powers have so far been unable to compel the Epirotes to remain under Albanian sovereignty, just as they were unable to compel the Cretans to remain under Turkish sovereignty.

Surely the history of the past hundred years justifies us in believing that if any general congress of the European powers attempts at the close of the war now raging a territorial reorganization in violation of the principle of nationality, such attempt will fail. The reorganization will not last. How then can a territorial reorganization be undertaken to realize the principle of nationality? Only by the plebiscite, by vote of the people in the territories concerned. Even the plebiscite will not result in the perfect realization of the principle of nationality. There will be islets of alien peoples in some of the redeemed national states whose rights and interests must be safeguarded. It must be evident however that the realization of the principle of nationality means either the extinction or the reorganization of one great state of Europe, viz., Austria-Hungary. Austria-Hungary is a standing invitation to war and has caused more wars and uprising during the nineteenth century than any other state of Europe, simply because it is organized in violation of the principle of nationality. When the Hapsburg dominions were reorganized according to the *Ausgleich* of 1867, Austria and Hungary were placed upon an equal footing and it was understood that the Germans and the Hungarians in their respective parts of the Dual Monarchy should have absolute control of the destinies of the other nationalities which make up the populations of those parts. That control has been used to suppress any attempt upon the part of the subject nationalities to develop their national cultures or ideals. Owing to the exigencies of the political situation, Austria has vacillated between a policy of repression and one of relative leniency, but Hungary has followed a consistent policy of harsh repression. Were the plebiscite permitted at the close of the war it can hardly be doubted that the people of Trieste and the Trentino would vote for annexation to Italy, the people of Transylvania for annexation to Rumania, and the greater part of the South Slavs to Serbia. It is possible that the Bohemians

and the Slavs of the north would be willing to remain in the Hapsburg monarchy if it were reorganized upon the federal instead of the dual principle. The principle of nationality makes for peace. The political philosophy dominant in the eighteenth century and in the early nineteenth century regarded a new nation as an intruder, whose motives and activities were suspected. Today it is regarded as one of the family who has passed through the period of tutelage, who has attained his majority and who has the right of living his life according to his own beliefs while maintaining the friendliest relations with the other members of the family. Only when permitted freely to develop in that way can a nation make its best contribution to human welfare, and every nation has some distinct contribution to make.

to work out the intricate problem of popular control in relation to technical administration." <sup>1</sup> Business is under the control of government. Do the business men of the country realize that the federal trade commission will ultimately determine what constitutes the ethics of competition, and thus limit and determine the daily life of all trade? True, the act contains in itself but a very simple mandate, namely, "That unfair methods of competition in commerce are hereby declared unlawful." <sup>2</sup> Yet the commission is given the broadest powers to determine what constitute "unfair methods of competition in commerce" and to restrain by order those acts which it determines to be unfair. The commission is not controlled by legal precedents in its determination of what constitute unfair practices. It can establish entirely new precedents or itself follow more modern precedents. It can follow the recent Massachusetts case, in which the court adopted the principle that, since all property rights proceed from the state, they must be used for the common good of all the subjects of the state. In that case the definite question arose whether an association of granite workers could, by a system of fines, preclude any of its members from trading with one who was not a member and so destroy his business of quarrying granite. The court held that it could not, saying:

To what extent combination may be allowed in competition is a matter about which there is as yet much conflict, but it is possible that, in a more advanced stage of the discussion, the day may come when it will be more clearly seen and will more distinctly appear in the adjudication of the courts than as yet has been the case that the proposition that what one man lawfully can do, that any number of men acting together by combined agreement may do, is to be received with newly disclosed qualifications arising out of the changed conditions of civilized life and of the increased facility and power of organized combination, and that the difference between the power of individuals, acting each according to his preference, and that of an organized extensive combination may be so great in its effect upon

<sup>1</sup> *Drift and Mastery*, p. 97.

<sup>2</sup> *Federal Trade Commission Act*, sec. 5.

private and public interests as to cease to be simply one of degree and to reach the dignity of a difference in kind.<sup>1</sup>

A writer upon "The Morals of Monopoly and Competition" says that in this decision

we have a clear grasp of the modern situation and a clear recognition that changes in the conditions of civilized life call for equal changes in business methods and principles applicable to these changed conditions, that although it may be logically inferred that what one man may do singly he may also do jointly with others, results may prove this an invalid conclusion, and the difference in conditions may be so important as to make the inference impossible.<sup>2</sup>

Railroad men have already realized what public regulation means. Electric-light companies now know what it means to be regulated by public service commissions. Express companies now know that they must make rates subject always to revision by the interstate commerce commission. Business men generally will realize soon that, under the broad powers conferred upon the federal trade commission, they are subject to the same kind of governmental control. Business conduct which a decade ago would have been regarded as "good business" is now condemned not only as morally unsound, but as illegal and subject to criminal penalties, and this not merely as to cut-throat and predatory competition and the methods of the old-fashioned "octopus," but as to more modern practices, such as the misuse of trade names and the misrepresentation of the quality of an article. We have traveled a long distance from the philosophy of the decision in the great Mogul steamship case, wherein Lord Chief Justice Coleridge permitted himself to say:

It must be remembered that all trade is and must be in a sense selfish; trade not being infinite, nay the trade of a particular place or district being possibly very limited, what one man gains another loses. In the hand-to-hand war of commerce . . . men fight on

<sup>1</sup> *Martell v. White*, 185 Mass. 255, 259, 260.

<sup>2</sup> Homer Blosser Reed, *International Journal of Ethics*, January 1916, p. 273.

without much thought of others, except a desire to excel or defeat them. Very lofty minds, like Sir Philip Sidney with his cup of water, will not stoop to take an advantage, if they think another wants it more. Our age, in spite of high authority to the contrary, is not without its Sir Philip Sidneys; but these are counsels of perfection which it would be silly indeed to make the measure of the rough business of the world as pursued by ordinary men of business.<sup>1</sup>

In the same case Lord Justice Fry said:

I know no limits to the right of competition in the defendants—I mean, no limits in law. I am not speaking of morals and good manners. To draw the line between fair and unfair competition, between what is reasonable and unreasonable, passes the power of the courts. Competition exists when two or more persons seek to possess or enjoy the same thing; it follows that the success of one must be the failure of another—and no principle of law enables us to interfere with or to moderate that success or that failure so long as it is due to mere competition.<sup>2</sup>

Lord Justice Bowen said:

To say that a man is to trade freely but that he is to stop short at any act which is calculated to harm other tradesmen, and which is designed to attract business to his own shop, would be a strange and impossible counsel of perfection . . . To attempt to limit English competition in this way would probably be as hopeless an endeavor as the experiment of King Canute.<sup>3</sup>

The abuses of railroad management, then, the evils of unregulated monopoly and competition, are not beyond the arm of the state. The capitalistic employer is in the grip of the law. In the interest of the "neutral," the weak needing the protection of the state is given help. Instead of the philosophy of "To him that hath shall be given," the more modern philosophy of "giving to each according to his needs" controls. Behind the workmen's compensation acts and the national child-labor law is the same great purpose. The arm of

<sup>1</sup> 21 L. R. Q. B. D. 544, at 553-4.

<sup>2</sup> 23 L. R. Q. B. D. 598, at 625-6.

<sup>3</sup> 23 L. R. Q. B. D. 598, at 615-16.

the state is stretched out to guard the worker and the little child. Conditions of public service and of private service are regulated in the interest of the worker and of the consumer.

The new justice involves simply a subtler and more far-reaching analysis of the human situation. It involves a recognition of the wholly inescapable social interrelations. . . . The new theory of rights assumes that men together create their destinies, that rights grow as needs increase, and that these rights are not simply to be protected but to be nurtured and developed.<sup>1</sup>

When labor is the dominant power, is the weak to be left without protection of the law?

In short, [as another writer puts it] during the last few years in America we have been developing with all our energy the highest art of all arts—the art of living together. I believe this to be “the one idea more powerful than any other” that is shaping the events of our time.<sup>2</sup>

### III

Why are business men resorting to commercial arbitration? The “art of living together” in business necessarily involves the elimination of human friction and the elimination of waste. Our judicial machinery is too cumbersome, too expensive and too provocative of hatred. According to modern understanding, it is not efficient. The national movement for efficiency in commerce and industry must soon bring us to a point where we shall look with shame and mortification upon our antiquated machinery for disposing of commercial controversy and upon our medieval methods for disposing of industrial controversy. Does it not concern the “neutral” that in three months upon a street-railway line there is a net deficit of \$372,471 compared with earnings of \$326,015 in the same period of the year previous—due to a street-car strike?<sup>3</sup> I have received from

<sup>1</sup> Harry Allen Overstreet, *Philosophy and the New Justice*, *International Journal of Ethics*, April 1915, p. 289.

<sup>2</sup> Ray Stannard Baker, *The New Republic*, December 5, 1914, p. 21.

<sup>3</sup> *The Sun*, October 27, 1916, reporting deficit on the Third Avenue system. In one month the revenue of another line dropped \$608,065. *New York Times*, November 13, 1916.

L. W. Hatch, chief statistician of the New York state industrial commission, the following table of working time lost in strikes and lockouts in New York state for the ten years 1906-1915 inclusive:

WORKING TIME LOST IN STRIKES AND LOCKOUTS IN NEW YORK STATE

| <i>Year Ended<br/>September 30</i> | <i>Number of<br/>strikes and lockouts</i> | <i>Aggregate days<br/>of working time lost</i> |
|------------------------------------|---|--|
| 1906                               | 245                                       | 1,668,281                                      |
| 1907                               | 282                                       | 1,724,260                                      |
| 1908                               | 160                                       | 396,725  |
| 1909                               | 176                                       | 1,061,094                                      |
| 1910                               | 250                                       | 5,783,394                                      |
| 1911                               | 215                                       | 2,360,092                                      |
| 1912                               | 184                                       | 1,512,234                                      |
| 1913                               | 268                                       | 7,741,247                                      |
| 1914                               | 123                                       | 1,426,118                                      |
| 1915                               | 104                                       | 868,838  |

This shows a total aggregate number of days of working time lost amounting to 24,542,283. If we assume an average of but \$2 a day, this means a loss in this period in the state of New York in wages alone of \$49,084,566. The recent cloak strike in New York is estimated to have cost the union \$750,000 for strike benefits and other expenses and the manufacturers' association a like amount, if not more, while the loss in wages to the cloakmakers amounted to \$3,000,000, and business and profits to the manufacturers far exceeded this sum.<sup>1</sup>

Professor Wigmore says:

Few laymen, and fewer lawyers, stop to reflect that the system of legal justice keeps changing slowly, from epoch to epoch, in its contents,—the subjects of its rules and dispensations.

Professor Wigmore sees in the wings a new body of American law developing in the field of industrial controversy:

Spontaneously, in our own country, work in the same field has begun. . . . Lawyers should awaken to this coming enlargement of the field of systematic justice. . . . The significant thing is that general principles are beginning to be formulated. And the moment you

<sup>1</sup> Report of Morris Hillquit to Mayor Mitchel, *Daily Trade Record*, August 5, 1916.



have general principles, used for deciding particular cases, you have justice in the form of law, as distinguished from the arbitrary justice of a Turkish caliph, or from private struggle decided by private force.<sup>1</sup>

When the balance sheet of the great war is made up, and we shall all have to foot the bill, the inefficiency and wastefulness of our medieval methods for settling industrial controversy will become intolerable. We shall soberly come to the reflection that in each instance the root of the evil is a fundamentally wrong philosophy. When we are stirred up, when public opinion is screwed up to the sticking point, we shall demand new law and new institutions.

When we arrive at this point, we shall find much to learn from a study of the evolution of our present legal institutions. Sir Frederick Pollock has graphically described the general impotence of the English state in the administration of justice during the Anglo-Saxon period:

Rigid and cumbrous as Anglo-Saxon justice was in the things it did provide for, it was, to modern eyes, strangely defective in its lack of executive power. Among the most important functions of courts as we know them is compelling the attendance of parties and enforcing the fulfilment both of final judgments and of interlocutory orders dealing with the conduct of proceedings and the like. Such things are done as of course under the ordinary authority of the court, and with the means constantly at its disposal; open resistance to judicial orders is so plainly useless it is seldom attempted, and obstinate preference of penalties to submission, a thing which now and then happens, is counted a mark of eccentricity bordering on unsoundness of mind. Exceptional difficulties, when they occur, indicate an abnormal state of the commonwealth or some of its members. But this reign of law did not come by nature; it has been slowly and laboriously won. Jurisdiction began, it seems, with being merely voluntary, derived not from the authority of the state but

<sup>1</sup> A New Field for Systematic Justice, 10 *Illinois Law Review*, No. 8, March 1916. Editorial Notes, pp. 592, 593, 594, 595. See also *The Development of Government in Industry*, by Earl Dean Howard, 10 *Illinois Law Review*, No. 8; *The Need for Industrial Jurisprudence*, by Walston Chubb, *The Standard*, March 1916; *A New Province for Law and Order*, by Henry Bournes Higgins, *Harvard Law Review*, vol. xxix, no. 1.

from the consent of the parties. People might come to the court for a decision if they agreed to do so. They were bound in honor to accept the result; they might forfeit pledges deposited with the court; but the court could not compel their obedience any more than a tribunal of arbitration appointed at this day under a treaty between sovereign states can compel the rulers of those states to fulfil its award. Anglo-Saxon courts had got beyond this most early stage, but not very far beyond it.

The only way to bring an unwilling adversary before the court was to take something of his as security till he would attend to the demand; and practically the only things that could be taken without personal violence were cattle. Distress in this form was practised and also regulated from a very early time. It was forbidden to distrain until right had been formally demanded—in Cnut's time to the extent of three summonings—and refused. Thus leave of the court was required, but the party had to act for himself as best he could. If distress failed to make the defendant appear, the only resource left was to deny the law's protection to the stiff-necked man who would not come to be judged by law. He might be outlawed, and this must have been enough to coerce most men who had anything to lose and were not strong enough to live in rebellion; but still no right could be done to the complainant without his submission. The device of a judgment by default, which is familiar enough to us, was unknown, and probably would not have been understood.

Final judgment, when obtained, could in like manner not be directly enforced. The successful party had to see to gathering the "fruits of judgment," as we say, for himself. In case of continued refusal to do right according to the sentence of the court, he might take the law into his own hands, in fact wage war on his obstinate opponent.<sup>1</sup>

Is this not an accurate photograph of the existing condition of the law of our present dealing with industrial controversy? No power by which parties can be compelled to arbitrate their differences. No power, even after they have submitted, to compel them to observe the awards. The parties left to voluntary agreement or to fighting it out among themselves. Like the Anglo-Saxon litigant, no one can bring any other one into court. Violence in both cases the outcome. In the absence

<sup>1</sup> *Expansion of the Common Law*, pp. 145-6.

of law, resort to force. The public service commission of the first district, reporting upon the recent car strike in the city of New York, brings sharply to the attention of the public this weakness in the existing law. In the case of each side, it finds voluntary agreements to arbitrate violated without remedy :

There is no doubt that men have the right to refrain from working and any rule that requires a man to work against his will is in the nature of slavery. On the other hand, there are positions of public service that require the performance of instant duty ; for example, the policeman or the fireman may not throw up his job while on duty, though he may resign his position.

It may very well be considered at this time whether or not the principle should be extended to the extent of saying that it is against the public interest that men employed on railroad or other public utilities may, without notice, exercise their right to quit their jobs in a group, thus crippling if not totally arresting the operations of public utilities, to the great damage of the public. We are not undertaking now to suggest what remedy, if any, may be just and practicable, but it is already the law that the matter of the operation of public utilities is a matter of state regulation. Is the quitting of the service a matter for state regulation?

#### IV

So far as public utilities are concerned, we cannot escape the logic that the regulation of rates and of service carries with it the duty to regulate conditions and rewards of employment. It is no longer open to dispute that Congress, in so far as relates to matters of interstate commerce, and the states, in so far as relates to matters of intrastate commerce, have the power. Mr. Justice Hughes, writing the opinion of the United States Supreme Court, in 1910 said :

By virtue of its power to regulate interstate and foreign commerce, Congress may enact laws for the safeguarding of the persons and property that are transported in that commerce, and of those who are employed in transporting them. *Johnson v. Southern P. Co.*, 196 U. S. 1, 49 L. ed. 363, 25 Sup. Ct. Rep. 158 ; *Adair v. United States*, 208 U. S. pp. 177, 178, 52 L. ed. 443, 444, 28 Sup. Ct. Rep.

217, 13 A. & E. Ann. Cas. 764 ; St. Louis I. M. & S. R. Co. *v.* Taylor, 210 U. S. 281, 52 L. ed. 1061, 28 Sup. Ct. Rep. 616 ; Chicago, B. & Q. R. Co. *v.* United States, decided May 15, 1911 (220 U. S. 559, *ante*, 582, 31 Sup. Ct. Rep. 612). The fundamental question here is whether a restriction upon the hours of labor of employees who are connected with the movement of trains in interstate transportation is comprehended within this sphere of authorized legislation. This question admits of but one answer. The length of hours of service has direct relation to the efficiency of the human agencies upon which protection to life and property necessarily depends. This has been repeatedly emphasized in official reports of the interstate commerce commission, and is a matter so plain as to require no elaboration. In its power suitably to provide for the safety of employees and travelers, Congress was not limited to the enactment of laws relating to mechanical appliances, but it was also competent to consider, and to endeavor to reduce, the dangers incident to the strain of excessive hours of duty on the part of engineers, conductors, train despatchers, telegraphers, and other persons embraced within the class defined by the act. And in imposing restrictions having reasonable relation to this end there is no interference with liberty of contract as guaranteed by the constitution. Chicago, B. & Q. R. Co. *v.* McGuire, 219 U. S. 549, *ante*, 328, 31 Sup. Ct. Rep. 259.<sup>1</sup>

Indeed, the Adamson eight-hour bill is based upon the theory that Congress, having the power to regulate the service, has power to fix the hours of labor or the compensation. In accepting the Adamson bill, the railway brotherhoods bowed before the power of the state. This phase of the incident has not been emphasized. The brotherhoods have not always been ready to go to Congress for legislative regulation of hours of labor. In one sense what they accomplished may be regarded as a victory, but in another may be regarded as a setback. There was clear recognition that, in the development of public opinion, the time had arrived when the public's rights were paramount. Under the title, "The Public Welfare Supreme," *The Independent* says that labor organizations had been

repeating the blunder that far more powerful organizations have

<sup>1</sup> Baltimore & Ohio R. Co. *v.* Interstate Commerce Commission, 221 U. S. 612, at 618-619, 55 L. ed. 878, at 882-3.

made from time to time since the Christian era began, and for which they have severely suffered. [This blunder, it says, is that] of asserting the alleged right of any organization whatever to exist on its own terms, irrespective of the welfare of the general public as interpreted by the sovereign people. [This blunder, it says, was made by the Roman Catholic Church, by the Mormon Church, and by the great corporate business interests, the last] to be brought under more and more strict control by state legislatures and courts, the national Congress and the United States Supreme Court. [But] the right of the public to enjoy civilized order, as Chairman Straus of the public service commission admirably put it the other day, is the supreme right. At all costs it must be maintained; by overwhelming force if necessary.<sup>1</sup>

The fundamental principle that the rights of employees, like the rights of stockholders, are subordinate to the rights of the public, in the operation of public utilities, is already imbedded in the law of the state of New York. By section 26 of the public service commission law every railroad corporation, person or common carrier is required to furnish "such service and facilities as shall be safe and adequate and in all respects just and reasonable," and is required to furnish such services at charges that "shall be just and reasonable and not more than allowed by law or by order of the commission having jurisdiction and made as authorized by this chapter." Section 49, authorizing the commission to fix rates and service, says that if the commission finds that the maximum rates, fares or charges

are insufficient to yield reasonable compensation for the service rendered, and are unjust and unreasonable, *the commission shall with due regard among other things to a reasonable average return upon the value of the property actually used in the public service and to the necessity of making reservation out of income for surplus and contingencies, determine the just and reasonable rates, fares and charges to be thereafter observed and in force as the maximum to be charged for the service to be performed, notwithstanding that a higher rate, fare or charge has been heretofore authorized by statute, and shall fix the same by order.*

<sup>1</sup> Vol. 88, no. 3539, October 2, 1916, p. 6.

Under section 55, for the purpose of approving issues of stock, bonds and other forms of indebtedness, the commission must be satisfied that

the money, property or labor to be procured or paid for by the issue of such stock, bonds, notes or other evidence of indebtedness is or has been reasonably required for the purposes specified in the order, and that except as otherwise permitted in the order in the case of bonds, notes, and other evidence of indebtedness, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

(Throughout the act will be found provisions covering other public utilities.) It is true that heretofore it has been assumed that, in determining the reasonableness of rates or the reasonableness of stock or bond issues, the public service commission was not required to take into account standards of wages or hours of labor, or the manner in which employees in the service were required to perform the service. There is, however, no escape from the logic that if a commission is to regulate the safety of the service, the reasonableness of the rates, and the justifiability of stock or bond issues, it must of necessity consider the wages and hours of those who perform the service quite as much as it must consider the interest, the dividends and the adequacy of the purely mechanical parts of the utility. In the United States Senate on August 30 last, in the discussion of the various existing statutory methods for compulsory or voluntary arbitration of industrial disputes, taking the position that it is not within the power of Congress to compel a man to work against his will, Senator Cummins said:

I have little doubt that it is within our power to make unlawful a combination of employees looking to a strike in concert. We could not simply make it unlawful to strike. All that we could possibly make unlawful would be the combination or the conspiracy to strike.<sup>1</sup> [And] it is apparent that these disputes which so vitally affect the whole body of the people should be settled, if possible, by an impartial tribunal, and I do not think of it as an arbitration; I think of it as a court, composed of men of the highest character and greatest

<sup>1</sup> *Congressional Record*, August 30, 1916, p. 15677.

attainments; a court composed wholly of members who have no possible interest in the controversy, and who have the same sense of high responsibility which we expect of men chosen to exercise the judicial office. It must be composed of men in whom the entire country has confidence, of humanitarians who are looking constantly for the true pathway to a better civilization. If we can secure such a court, the strike, in concert or combination, may, for a time and in a degree, be subordinated to its judgments. [Coming directly to the matter of disputes upon the railroads of the country, Senator Cummins said:] Undoubtedly Congress could prescribe maximum hours of work upon railways engaged in interstate commerce.<sup>1</sup>

Asked specifically by Senator Norris if he thought that Congress would have the constitutional right to fix the compensation as well as the hours, he said:

Unquestionably Congress has authority to prescribe both minimum and maximum wages to be paid by such railway companies. It is true that regulation of this character might sometimes be overthrown in the courts if challenged as unreasonable or arbitrary, because there is no well-established standard for compensation in the various occupations of life.<sup>2</sup>

In coming to the opinion that the power of the government, national and state, to regulate public utilities in the matter of service and rates includes the power to determine the wages which shall be paid and the hours within which the work may be performed, the conservative senators do not hesitate to accept the conclusion that this would necessarily involve the regulation of the salary of officers. Senator Cummins, recognizing fully the power of Congress to regulate wages and hours upon the railroads, questions only the power of Congress to delegate this power to a commission.<sup>3</sup> But certainly when Congress can delegate to a trade commission the determination of what in each case constitute "unfair methods of com-

<sup>1</sup> *Congressional Record*, Aug. 30, 1916, p. 15679.

<sup>2</sup> *Ibid.*, p. 15679.

<sup>3</sup> The following discussion between Senators Norris and Cummins is instructive:

MR. NORRIS. Does the Senator think there is any greater constitutional authority conferred upon such a tribunal as he has been describing to fix, not necessarily the maximum and minimum, but the absolute compensation of var-

petition," it can delegate to a commission the power to determine what is "a fair and reasonable wage" or what is "a fair and reasonable working day." Every lawyer knows that a contract of hiring which contains no definite sum for compensation is a contract for *quantum meruit*, and the jury determines according to the circumstances of the case, and possibly upon the evidence of experts, what is "fair and reasonable compensation." I do not believe the point made by Senator

ious kinds of employees than there is conferred upon the same tribunal the right to fix a rate that shall be charged, of which the salaries of all the employees and officials must be one of the component parts?

MR. CUMMINS. There is a little difference in the constitutional authority. From time immemorial the standard which is applied to test the validity of a rate imposed by a common carrier has been known theoretically at least. When we created the interstate commerce commission we gave to this commission the standard which had been for centuries the law with regard to the transportation of persons and property by common carriers, and the courts have held that that is a sufficiently definite standard to warrant the delegation of power which the interstate commerce law involves.

Now, mark you, I am not speaking of Congress; but when Congress would attempt to delegate the power to fix wages, what is the standard, what is the rule? What is to determine whether a man ought to be paid \$2 a day or \$5 a day or \$10 a day? I do not know of any standard at all.

MR. BORAH. Would the phrase "a fair and reasonable wage" be any more definite or less definite than "unfair competition" or "a reasonable rate"?

MR. CUMMINS. I think it would be very much less definite. Both unfair competition and reasonable rates for the carriage of persons or property have become fairly well established. But it is not necessary for me to argue the matter. If the power exists, it is to be exercised through regulation and is not involved in the subject I am discussing. You cannot compel a man to work for any wage that the commission may fix.

\*       \*       \*       \*       \*       \*       \*

MR. NORRIS. I concede the point the Senator has made. It was not the object of my question to contest that, but I was wondering if the board or tribunal, or whatever it is the Senator has been describing, has the authority to fix a rate and a part of that rate is made up of the salaries that the president of a road draws and the brakemen draw, that being a part of the rate that it is considered they have the constitutional right to fix, and we have the constitutional right to provide, if we define it as we did in the power to fix the rate, that the salaries of all the employees and officials should be reasonable, that being a part of the rate, why could they not fix those rates; and when they were fixed would they not partake much of the same as a governmental position, and a strike would probably be unknown in regard to it if they controlled the entire situation?—*Congressional Record*, Aug. 30, 1916, p. 15680.



Cummins is sound. If Congress has the power, there is no difficulty in delegating that power to a commission. There is, as I see it, no constitutional difficulty in the way of regulating conditions of employment upon public utilities. We should not forget that there was a time when there was a public policy supporting yet broader and more restrictive regulation of wages and conditions of employment. Beale and Wyman, going back to a review of governmental regulation of business during the late Middle Ages, say :

Not only did the law regulate business indirectly through the courts, Parliament itself frequently regulated prices of the necessities of life by direct legislation. The great staples like wool and food were habitually regulated in this way, and the employment and price of labor was a subject of statutory provision. Thus, in 1366, Henry III, after reciting former statutes to the same effect, regulated the price of bread and ale according to the price of wheat and barley, and forbade forestalling, that is, cornering the market. In 1344 the ordinances fixing the export price of wool were repealed after some years of trial. In 1349 all laborers were obliged to serve for the customary wages; and "butchers, fishmongers, regrators, hostelors (*i. e.*, inn-keepers), brewers, bakers, poulterers, and all other sellers of all manner of victuals" were bound to sell for a reasonable price. These statutes continued in force throughout the Middle Ages, and until the settlement of America.<sup>1</sup>

It is true that Section 6 of the Clayton Act reads as follows :

That the labor of a human being is not a commodity or article of commerce. Nothing contained in the anti-trust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purposes of mutual help and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof, nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under anti-trust laws.

In discussing this amendment in the light of the decisions already rendered, Ex-President Taft, addressing the American

<sup>1</sup> *Railroad Rate Regulation*, p. 7.

Bar Association in 1914, said that this provision "was not intended to make members of such associations (*i. e.*, labor, agricultural, *etc.*) a privileged class and free from the operation of general laws" and that in all probability "when the statute is construed by the courts it will keep the promise of the labor leaders to the ear and break it to the hope of the ranks of labor."

Since Professor Taft delivered this legal opinion, the courts have been called upon to pass upon this section, and the recent decision of *Dowd v. United Mine Workers of America*, 235 Fed. Rep. 1, indicates that Mr. Taft was not far wrong in his conclusions. In that case the court held that the United Mine Workers of America, though unincorporated, were not only subject to the provisions of the Anti-Trust Act, but that they could be sued as parties for treble damages; and that, if by conspiracy and combination they injured the business and property of the coal companies, the fact that their unlawful acts did not relate directly to interstate commerce is not a defense. This decision, taken in connection with the decision of the supreme court of Massachusetts holding unconstitutional a similar provision of the state law of Massachusetts<sup>1</sup> to the

<sup>1</sup> *Bogni v. Perotti*, 224 Mass. 152, 112 N. E. 853. The provisions in St. 1914, C. 778, Sec. 2, declaring that "in construing this act" the right to labor and to make and modify contracts to work "shall be held and construed to be a personal and not a property right" and prohibiting the granting of an injunction to enforce such a right "where no irreparable damage is about to be committed upon the property or property right of either" employee or employer, are unconstitutional and void, for the reason that they deprive those employed in labor of "the equal protection of the laws" guaranteed by the federal constitution and by the equivalent provision in the Massachusetts bill of rights. "... the power of courts to afford injunctive relief cannot be impaired by the legislature in such a way as to prevent its use in favor of one property owner, when it is preserved for the benefit of other property owners." In that case, Bogni and others, as members of the General Laborers' Industrial Union No. 324 of the Industrial Workers of the World, brought suit against the Hod Carriers Building and Common Laborers' Union, Local 209, affiliated with the American Federation of Labor. The contest was between two labor unions seeking similar employment for their members as laborers in the building trades. The court said (p. 156): "The right to make contracts to earn money by labor is at least as essential to the laborer as is any property right to other members of society. If as much protection is not given by the laws to this property, which often may be the owner's only substantial asset,

effect that labor is not a commodity, must bring the enlightened and intelligent labor leaders of the country to the realization that by no legislative process can they escape the consequences of any restraint of trade which, if committed by a business association, would be in violation of the law. Under the law, as the Attorney General of the United States said in the Northern Securities case, "whether it is a mob, a monopoly, or a sand bank," whatever interferes unlawfully with trade or commerce is subject to the law. Interpreting the Trade Commission Act in the light of the Dowd case and *Loewe v. Lawler*,<sup>1</sup> there would seem to be no reason why employers should not apply to the trade commission in cases of boycotts or strikes for relief of the same character that competitors now secure against unfair competition.

## V

Our law is not impotent. On the contrary, it is all-powerful. Students of judicial precedents have repeatedly pointed out the recent change in judicial opinion. "Only twenty-five years ago the general feeling as to every sort of industrial relation was that it was better to leave all alone, that it was better to leave people to work out their own salvation."<sup>2</sup> Today we apply the rule of *salus populi suprema est lex* to all property clothed "with a public interest," and "Property becomes clothed with a public interest when it is used in a man-

as is given other kinds of property, the laborer stands on a plane inferior to that of other property owners. Absolute equality before the law is a fundamental principle of our own constitution. To the extent that the laborer is not given the same security to his property by the law that is granted to the land owner or capitalist, to that extent discrimination is exercised against him." These two principles—that the right to make a contract is a property right and that equal resort to the courts must be accorded to all men—have been completely ignored in the formulation of its legislative program by the American Federation of Labor. Like the employers spending energy in an effort to destroy trade unionism, this effort to destroy fundamental principles of American law is futile. The energy should be otherwise utilized—in both instances.

<sup>1</sup> 208 U. S. 274.

<sup>2</sup> Wyman on State Control of Public Utilities, *Harvard Law Review*, June 1911. Also in Orth's *Readings on the Relation of Government to Property and Industry*, p. 286.

ner to make it of public consequence and to affect the community at large."<sup>1</sup>

The famous Peel Splint opinion<sup>2</sup> is like a blinding headlight in the darkness of a new highway. It may dazzle, but it lights the way:

We base the decision in this case: First, upon the ground that the defendant is a corporation in the enjoyment of unusual and extraordinary privileges which enable it and other similar associations to surround themselves with a vast retinue of laborers, who need to be protected against the fraudulent or suspicious devices in the weighing of coal or payment of wages for labor. Secondly, the defendant is a licensee, pursuing a vocation which the state has taken under its general supervision for the purpose of securing the safety of employees, by ventilation, inspection and government report, and the defendant, therefore, must submit to such regulations as the sovereign thinks conducive to public health, public morals and public security. We do not base this decision so much upon the ground that the business is affected by the public use, but upon still higher ground, that the public tranquillity, the good and safety of society, demand, where the number of employes is such that specific contracts with such laborers would be improbable, if not impossible, that in general contracts justice shall prevail as between operator and miner; and, in a company's dealings with a multitude of miners with which the state has by special legislation enabled the owners and operators to surround themselves, that all opportunities for fraud shall be removed. The state is frequently called upon to suppress strikes; to discountenance labor conspiracies; to denounce boycotting as injurious to trade and commerce; and it cannot be possible that the same police power may not be invoked to protect the laborer from being made the victim of the compulsory power of that artificial combination of capital which special state legislation has originated and rendered possible. It is a fact worthy of consideration and one of such historical notoriety that the court may recognize it judicially, that every disturbance of the peace of any magnitude in this state since the civil war has been evolved from the disturbed relations between powerful corporations and their servants and employees. It cannot be possible that the

<sup>1</sup> *Munn v. Illinois*, 94 U. S. 113.

<sup>2</sup> *Peel Splint Co. v. State*, 39 W. Va. 802. Reasoning of the case affirmed and language quoted with approval by the U. S. Supreme Court in *Knoxville Iron Co. v. Harbison*, 183 U. S. 13, 22 Sup. Ct. 1.

state has no police power adequate to the protection of society against the re-occurrence of these disturbances, which threaten to shake civil order to its very foundations. Collisions between the capitalist and the working man endanger the safety of the state, stay the wheels of commerce, discourage manufacturing enterprises, destroy public confidence and at times throw an idle population upon the bosom of the community.

The law is ready. It is public opinion that dallies. The state has power to take action "when the contestants are not able to settle their controversies between themselves, and the public peace and welfare are being jeopardized, in stepping in and prescribing the rules and regulations under which the industries shall be conducted."<sup>1</sup> The field of governmental interference is being constantly extended. Business and occupations formerly unknown or of little importance are now being regulated and their charges and actions controlled. When any industry secures sufficient control to disturb the public peace or its owners are constantly requiring the aid of the state for protection, the business to that extent becomes affected with a public interest.<sup>2</sup> The right of regulation now legally covers electric light companies operating upon the public streets, railroad bridge companies, telephone and telegraph companies, water companies, sewerage companies, irrigation and canal companies, grain elevators, warehouses, mines, insurance and banking. Is milk or coal a property "clothed with a public interest"?<sup>3</sup>

<sup>1</sup> Judge Alexander A. Bruce of the Supreme Court of North Dakota, *Michigan Law Review*, June 1909. Also in Orth, *op. cit.*, p. 307.

<sup>2</sup> *Ibid.*, pp. 300, 301 (Orth).

<sup>3</sup> See the Donnelly Act, sec. 340, General Business Law, New York. "Every contract, agreement, arrangement or combination whereby a monopoly in the manufacture, production or sale in this state of any article or commodity of common use is or may be created, established or maintained, or whereby competition in this state in the supply or price of any such article or commodity is or may be restrained or prevented, or whereby for the purpose of creating, establishing or maintaining a monopoly within this state of the manufacture, production or sale of any such article or commodity, the free pursuit in this state of any lawful business, trade or occupation is or may be restricted or prevented, is hereby declared to be against public policy, illegal and void."

## VI

Labor recognizes its subjection to the law. Before the Senate committee on interstate commerce, Mr. Gompers testified:<sup>1</sup>

SENATOR CUMMINS. I take it you do not object to responsibility under the law for an unlawful act in some form or other?

MR. GOMPERS. Certainly not.

SENATOR CUMMINS. That is, every man, whether alone or whether in association with others, if he commits a wrong, ought to respond for that act either to the public in a criminal prosecution or to the person who was injured by his unlawful act?

MR. GOMPERS. Unquestionably.

SENATOR CUMMINS. That is fundamental, and that leads me to a little further inquiry of you upon a subject a little more fundamental even than the anti-trust law. You are familiar with what is known as the Debs case?

MR. GOMPERS. Fairly well, sir.

SENATOR CUMMINS. There the complaint was, as I remember, that certain persons had forcibly, physically restrained the instrumentalities of commerce; that is, prevented commerce from being carried on. Now, entirely apart from the law through which it would be worked out, do you think that there ought to be prohibitions against acts of that sort?

MR. GOMPERS. There are, without the Sherman anti-trust law.

SENATOR CUMMINS. Of course you think there ought to be prohibitions against such acts?

MR. GOMPERS. Unquestionably; any acts which in themselves are unlawful.

The *New York Times* reports that on November 5 the Attorney-General authorized the following statement of his department's activities: "The Department of Justice is investigating the recent abnormal and suspicious increases in the prices of various necessities of life, especially coal. Wherever any such increase is found to have been due to conspiracy or other unlawful action the department will invoke against the offenders the severest penalties which the law prescribes." See also article headed, *Suspect Conspiracy in High Coal Prices*, p. 20 of same issue of *Times*, November 6, 1916.

<sup>1</sup> *Report of Hearings before the Committee on Interstate Commerce, U. S. Senate, Sixty-second Congress, 1911-12.* Pursuant to Senate Resolution 98. Pp. 1727-1765. Also in Orth, *op. cit.*, pp. 610-611.

Capital recognizes the clear right of labor to organize. Mr. Emery, speaking for the National Association of Manufacturers and approximately three hundred organizations of employers, said at the same hearing: <sup>1</sup>

I, and all I represent, are firm believers in the right of men to organize for the protection of their hours, labor, and working conditions. Many thousands of men employed by my clients are members of labor organizations of all kinds, and we do not and never have questioned their right to form unions and by legitimate action enforce their demands. We ask for no other restrictions for them than the same law places on all other citizens.

In theory, both sides agree. Shall they be permitted to escape from this harmony of thought in their practice?

In those industries where the costliness to the worker of the strike and lockout has been graven upon the memories of the workers by hard and bitter suffering, there is clear appreciation of the value of stable and uniform administration of the law of the industry.

The most recent report of the government (U. S. Department of Labor, Bureau of Labor Statistics, *Bulletin* 198) reviewing Collective Agreements in the Men's Clothing Industry, contains the following:

Under these agreements a due process of law has been substituted for the arbitrary and irresponsible rule of the foreman in the adjustment of all differences, and with the institution of this due process of law there has developed among the workers a feeling of security under the law, in place of the feeling, formerly prevalent among them, of uncertainty, of fear, and of absolute helplessness.<sup>2</sup>

<sup>1</sup> *Report of Hearings before the Committee on Interstate Commerce, U. S. Senate, Sixty-second Congress, 1911-12.* Pursuant to Senate Resolution 98. Pp. 2072-2104. Also in Orth, *op. cit.*, p. 618.

<sup>2</sup> One of the union representatives writes:

"To fully appreciate, and to be able to explain in what ways the people have benefited by the agreement, I must refer back to the time when no agreement was in existence.

"I used to work in shop No. 3, and I must say that the foreman of said shop is a kind person. My work during the seven years was very seldom criticized, if at all, but I was considered a 'smart man,' consequently kept re-

We may well follow today the example of Cavour, who, in the time of Italy's greatest crisis,

sponsible for some little trouble that happened in the sections near me. Once a section of men picked enough courage to stand up and ask the foreman for an increase; for such action their leader, who was revealed by one of the men, was immediately discharged and even denied the privilege to come for his hat and coat in the shop, which were brought to him outside. He was such a very nice, quiet, sociable fellow that it broke my heart to see him go in such a fashion, but the only thing I could do was to feel sorry for him. A few hours later I was called by the foreman and accused of being the instigator of those people; when I protested that I did not know anything about it, and that I could not have been the instigator as I couldn't speak their language (Lithuanian), I was told that I was a 'smart man,' that I knew everything, and that at least I should have notified him. Finally, I was asked to resign my position; I was a plain workingman and I expected the same treatment that the other fellow had received a few hours before. While I was getting ready very reluctantly to go home, reluctantly, not for the job, though I needed it, but because I thought my staying in the shop was necessary, the foreman had a conversation with the informer and had been told that I was not mixed up in the matter at all, so the foreman changed his mind and asked me to remain, told me that I was a good man and that he believed every word I had said.

"Today when a section is dissatisfied a complaint is filed with the shop chairman, who tries first to adjust it with the foreman or manager. If he can not succeed, he reports to the deputies of the workers and a joint investigation is made with the deputy of the company. In the event the deputies fail to reach a settlement, the case is reported to the trade board, and finally, if necessary, to the board of arbitration. The chairmen of the shops may now speak for any of the workers without being told to mind their own business. The fear of being wrongfully discharged has disappeared, because of this right to demand redress. Wages or prices can not be reduced; if attempted to, the price committee, a creation of the trade board, will be there and investigate the case."

Compare this with the conditions in the New York cloak industry, after the "protocol" system of arbitration was recently abrogated. The workers now complain:

"This agreement may be a model as far as the manufacturers are concerned, because there are practically no provisions for enforcement of same, but the workers having promises on paper but knowing full well that the right to hire and discharge is practically absolute under the new agreement, that equal division of work is not even mentioned therein, and that the manufacturer if he wants to discriminate against an active union man could do so with immunity, cannot do anything else but express their dissatisfaction with it.

"We expect to take up this subject from time to time, but let us hope that this model agreement will be of short duration unless properly amended so as to make it a real contract instead of a one sided affair."—Editorial Note, *The Ladies' Garment Cutter*, October 28, 1916.



risers and compresses the needs of Piedmont and Italy into a single sentence. Casting aside all petty demands for changes in detail, he insists that the king be asked "to transfer the discussion from the perilous arena of irregular commotions to the arena of legal, pacific, solemn deliberation."<sup>1</sup>

## VII

The desideratum is the least possible regulation by the government and the utmost freedom to the parties to come together. We should encourage the interested parties to negotiate and agree, subject only to the right of the third party, the public, to intervene at points where the public interest may be endangered. Collective bargaining under the sanction of the law furnishes this free opportunity for negotiation. Joined with clear right of review in case of injury to the public, and opportunity for appeal in case of deadlock, it opens up a hopeful avenue of escape from our present chaos.<sup>2</sup>

Employers generally are recognizing that the human relations between them and the workers in their plants are a vital factor in the efficiency of the plant. A recent advertisement says: "The quality of every manufactured product depends upon the workmanship. Satisfied labor insures high quality in the output of any plant." And this concern is pleased to advertise the fact that four hundred satisfied workers say:

As employees, we feel that the . . . . . Company has endeavored to make our working conditions and wages as satisfactory as their business has warranted. We acknowledge and appreciate the eight-hour day that has been voluntarily granted, and we will do our best to increase the quantity and quality of the factory output.<sup>3</sup>

Another concern advertises:

Satisfied labor is the one big key to industrial success. The . . . . Terminal conduces to success because the conditions under which the operatives in its many prominent factories perform their tasks make

<sup>1</sup> White, *Seven Great Statesmen*, Cavour, p. 350.

<sup>2</sup> See chapter XXI, *Law and Order in Industry*, by the author.

<sup>3</sup> *Literary Digest*, Nov. 4, 1916.

for perfect sanitation, incomparable light, air, health and safety, and because the location is accessible, at a five-cent fare, from all parts of the city. Modern housing facilities are keeping pace with the industrial development.<sup>1</sup>

Obviously, there is no condition of satisfied labor if the desire to organize is thwarted by the employer. Obviously, there is no condition of satisfied labor if the employer's aim for efficiency and discipline is thwarted by syndicalized workers. There are two blades to the shears, as Dr. Adler observed. The way out is for each to recognize that his right is right only in relation to the other's right.

Each side must yield a bit in its antagonism to the other's position. We cannot permit society to remain in a condition of armed industrial truce. Business efficiency and industrial justice are coadjutors in the task of developing a new industrial law.

## VIII

There are, of course, certain fundamental principles applicable to all industrial controversy. Without attempting to state even the main points, it may help the argument if I roughly formulate a few:

I. The principle of the recognition of the human rights of workers, including:

- (a) The right to organize.
- (b) The right to living conditions.
- (c) The right to be respected in one's personality.

II. The principle that, in the present order of society, the employer must maintain discipline and efficiency in the plant. I and II were excellently stated by the mayor's council of conciliation in the cloak industry:

That the principle of industrial efficiency and that of respect for the essential human rights of the workers should always be applied jointly, priority being assigned to neither. Industrial efficiency may not be sacrificed to the interests of the workers, for how can it be to

<sup>1</sup> *New York Times*, Nov. 7, 1916.

their interest to destroy the business on which they depend for a living? Nor may efficiency be declared paramount to the human rights of the workers, for how in the long run can the industrial efficiency of a country be maintained if the human values of its workers are diminished or destroyed? The delicate adjustment required to reconcile the two principles named must be made. Peace and progress depend upon complete loyalty in the effort to reconcile them.<sup>1</sup>

III. The principle that coercion of neutrals or third parties (destruction of the milk supply, interrupting the public service—the mails, the telegraph, the trains) must not be permitted.

In the application of these principles, we have seen that, in the case of railroads, telegraphs, electric light, steamboats, *etc.*, the power of the states to regulate public utilities and the power of Congress to regulate commerce furnish a legal basis for the establishment of institutions or tribunals or the grant of power to existing bodies. The transmission of the public mails justifies federal intervention.<sup>2</sup> On the other hand, we must, for the present at all events, formulate our legislative program in the matter of so-called "private industries" upon the legal principle of conserving the public health. How far this domain will extend remains still to be developed from the interpretations we shall receive from the United States Supreme Court in such cases as the national child-labor law.

With this in mind, the proposal which I submitted to the federal industrial relations commission in 1914 and which is discussed in another place<sup>3</sup> is here added as an appendix, to furnish a basis for further criticism and discussion.

## IX

In general, the proposal is a League to Enforce Industrial Peace made up of all the elements of society—the consumer, the neutral, the worker and the employer (*i. e.* the state itself), founded upon the following propositions:

<sup>1</sup> *Law and Order in Industry*, by the author, p. 281.

<sup>2</sup> See *In re Debs*, 158 U. S. 564.

<sup>3</sup> See chapter XXI, A Federal Industrial Council, *Law and Order in Industry*, by the author.

I. The clear recognition of the moral and legal right of men to organize.

II. The establishment of tribunals sanctioned by law, whose membership shall be representative of all three parties (employees, employers and the public).

III. The creation of fact-gathering machinery to enable such tribunals to determine what is in any given case a "fair and reasonable wage" and what are "fair and reasonable working conditions."

IV. The clear recognition of the necessity for efficiency and discipline in all industrial organizations.

V. Opportunity to every worker to secure just redress from arbitrary or oppressive exercise of the employer's functions.

VI. Opportunity to every employer to secure just redress from arbitrary or oppressive exercise of power by the men.

VII. The right to appear by a chosen organization or spokesman before all sanctioned tribunals and in all dealings between employers and employees.

VIII. The registration of all collective agreements.

IX. A national council, without whose sanction there shall be no concerted cessation of work or closing-down of plants, to which any interested party may apply for relief, as it may in public service matters to the interstate commerce commission or the public service commissions, or, in trade matters, to the federal trade commission.

X. Such national council to be constituted of members elected from groups of employers and groups of workers and representatives of the public.

XI. In public utilities, clear recognition of the function of the state, as part of the regulation of the service and the rates, to determine what is a reasonable wage and what are reasonable working conditions.

XII. Clear acceptance of the proposition that, adequate machinery being established for the redress of all just grievances, the right to *coerce* by concerted stoppage of work in all service affecting the public health, safety or convenience shall be made as obsolete as the duel or as illegal as lynching.

(This principle to be applied if and when such machinery is established.)

## X

The basis of the great industrial compromise is here. The trade unionist must yield in his opposition to governmental regulation of his organization; the employer must yield in his opposition to the organization of trade unions; the public must yield in its indifference to the conditions under which human work is done; the business man must yield in his opposition to "social uplift" in industry; and the social reformer must yield in his indifference to efficiency and discipline in modern production. Upon such a compromise can be founded a program of preparedness for peace. Without it, we shall have neither industrial efficiency nor industrial justice. Without legal sanctions, there can be no real progress. But the legal sanctions must be of a kind to which a modern democratic society founded upon a philosophy of reason—not of force—is ready and willing to give whole-hearted and devoted support. The lawyer's duty is big. The educator's duty is bigger, more immediate and more pressing.

## APPENDIX

## SKELETON OUTLINE OF PROVISIONS OF A BILL

I. Create a *National Industrial Board* with powers analogous to those of the English Industrial Council under the English Trade Disputes Act.

II. Equal representation to organized labor, organized employers, and the public, appointed by the President for long terms.

III. Adequate salary paid to the chairman (to be a man of the type of Sir George Askwith).

IV. In addition to the powers included in the English Trade Disputes Act, give power:

(a) To consider and investigate all matters concerning sanitation and safety.

(b) To revise trade agreements upon the appeal of the parties.

(c) To hear appeals from boards of conciliation or arbitration established under trade agreements.

(d) To gather statistics upon all matters involving wage increase.

V. All trade agreements to be validated by registration with the National Industrial Board.

VI. Whenever it shall appear that the agreement covers a substantial portion of the industry, the parties to the agreement may apply for its extension to the entire industry. Upon proper hearings, to those not yet affected, the industrial board may make an order extending the agreement to cover the entire industry.

VII. Trade agreements to be authorized which may provide for the preferential employment of members of the trade-union party to the agreement, and for wage-scale boards, boards of conciliation and arbitration, grievance boards, boards of sanitary control, boards of apprentices, *etc.*

VIII. The National Industrial Board, before registering any trade agreement, to make careful investigation of the surrounding facts, and if it finds that the agreement is made in good faith, and is for the best interests of the working people and the employers in the industry, it may certify to the fact, and its certificate shall raise an irrebuttable presumption in any court of law or equity that such agreement was in fact entered into in good faith, and not in restraint of trade.

IX. Where agreements create methods of arbitration by boards of arbitration, conciliation, grievances, or the like, the decision in writing of such board may be filed in the office of the clerk of any federal court, and a motion may be made to confirm the report on notice to the party against whom the decision has been rendered, and when such decision shall be confirmed, a copy of the decree may be entered in the clerk's office.

X. An appeal may be taken from any award by a board of arbitration to the National Industrial Board.

XI. Where any agreement voluntarily entered into provides methods of arbitration or conciliation, it shall be lawful for either party to terminate the same, upon three months' notice, but if not terminated, it shall not be lawful for either party to engage in any strike, walkout, or lockout before the controversy is submitted to such tribunal.

## MUTUAL AID FUNDS AS A MEANS OF SECURING INDUSTRIAL PEACE

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**T**WO things may be said of establishment or mutual aid funds to which employees and employers both contribute and in the management of which both participate, *viz.*, they are, as a rule, the most economically and effectively managed of all social insurance institutions, and at their best they excel all others in beneficial features.

Both these things are illustrated by what has taken place in Germany, where social insurance first became a public matter and where it has attained its highest development. There the management expense of sickness insurance carried on by mutual funds to which employees and employers contribute and which are managed by representatives of both averages about 7% of the receipts, though the problems are complex; while the management expenses of the mutual associations of employers to provide accident insurance, though dealing with fewer and simpler matters, average about twice as much.

There, also, the best establishment funds were already so beneficial when social insurance laws were enacted, that they were accepted as substitutes for institutions established by law; and even now the benefits of many of them greatly exceed those provided by the laws. Thus, for instance, while the insurance provided by law rarely costs a German employer, even when engaged in a hazardous trade, more than about 6% to 8% of his payroll, many who are not carrying on dangerous undertakings are voluntarily contributing to various forms of social insurance through establishment funds from 10% to 16% of their payrolls. The employees, catching the same spirit, provide for larger contributions themselves in order to secure larger benefits.

Thus several of these funds, long before the introduction of

widows' and orphans' insurance, provided death benefits which were also sometimes pensions to widows during widowhood and to children under working age. Even now most of these funds provide larger benefits than the law requires. It is not too much to say that the best establishment funds of a generation ago in Germany and elsewhere were largely the inspiration of the whole social insurance movement, and from that time to this have supplied its ideals and models for imitation.

The proportions and perfection of these best models social insurance, indeed, must despair of attaining; for obviously benefits may be provided—are provided, frequently—out of sheer generosity which the most enlightened sense of justice would not compel. Obviously, also, no other co-operation in management is comparable with that of employers co-operating upon their own initiative, voluntarily and gladly, with their own employees.

Employees and their employers both do not in all cases contribute at first to the establishment or relief fund, nor do representatives of employees and their employers both participate in the management; nor do the benefits measure up to what is socially desirable. If any of these be missing, the plan may be deemed in so far faulty; and, if all be missing, the establishment may be a social mischief or even an engine of gross injustice.

When social insurance was made a public matter in Germany—as, indeed, everywhere else where it has been made a public matter—there were already some such funds which measured up to the standard and others which fell below. The former were welcomed as carriers under the law; the latter were given permission to continue, provided they revised their rules and furnished benefits at least equivalent to those that the law required. Such as could not or would not comply with this requirement were proscribed. All that continued had also to provide for joint contributions and joint management. In the United States also there have been and still are establishment or mutual aid or relief funds which embody the three ideals above mentioned, and others which are defec-



tive in one or more of them. In other words, if these standards were applied, some would stand the test and some would not.

Before entering more intimately into consideration of these matters as regards our own funds, it is well to say that those which have reached their highest development not infrequently set out as feeble essays, providing scanty benefits and exhibiting grave defects as regards both contributions and management. Sometimes, funds which were set going from motives far removed from social insurance, have in the course of years outgrown this and become institutions of the highest social value. Certainly in the absence of public provision for social insurance and a recognized standard of benefits, even the feeblest of these is not to be despised.

As regards contributions, there have from the beginning been aid funds to which the employer contributed not at all or only enough to defray expense of management or, under cover of a pretense of contributing generally, not even that much. An aggravated example of some of these evils is found in the mutual aid funds of certain railway companies, set up when the sentiment of many employers was rather one of annoyance at being held liable for any accident at all than of recognition that provision should be made for all accidents. These funds were created more or less openly for the purpose of evading liability. Provision was made for divesting members of the right to recover except from the fund, thus relieving the employer from all liability. Yet in several instances the employing company made no contribution save toward management expenses, while reserving such preponderance of control that its voice was law. The unfairness of shifting this burden to the shoulders of employees is obvious. Yet more unfair have these plans been because of insufficient provision. If the hardships to employers of the old "fault" liability system excuse in any degree resort to such measures, what must have been the hardships of the "fault" system to employees who, to escape being compelled to bring suit, consented to be bound to accept mere pittance?

In considering what a mutual aid fund should not be, however, it is desirable always to bear in mind that in several im-

portant regards railroad companies generally have taken a more liberal view of their obligations to injured employees than have most other employers. The dangerous character of the employment, the serious nature of many of the injuries and the fact that the employer was a big corporation all conspired to bring it about that first aid was always supplied at the earliest moment, that medical and hospital treatment was given, and that if the employee were not too obstreperous in enforcing his claim, a post which he could fill was offered him, virtually during good behavior. This practice meant prompt application of means of cure, in which regard most of our compensation laws are scarcely more than abreast of the railroads. Yet more, it meant provision for utilizing the services of men who would often otherwise have become wastrels, a matter regarding which our compensation laws, imperfectly social, now do little or nothing. There is as yet no federal workmen's compensation law applying to interstate railway employees. It is to be hoped that, when one shall be enacted, it may preserve and develop this most desirable feature.

The unfairness of saddling all or nearly all the cost upon employees and of making benefits altogether insufficient is not found in all railway funds, some of which exhibit an approximately fair distribution of disability and death costs, and substantial, though yet too low, benefits.

There are other enterprises, likewise, notably some mines and some traction companies, which sought in the same way to shift this burden upon employees. Workmen's compensation acts have greatly modified this condition, as has a growing tendency to be more liberal; yet many of the evils complained of still persist, though much reduced.

It is a relief to turn from a thing so sordid as the utilization of the employees' great need for disability and death insurance as a means of coercing them into providing the funds to cover the employer's liability, to the generous behavior of one of the greatest public utility corporations, which has introduced a system, without contribution by the employees, by means of which health insurance and provision for old age and for death are made wholly at the expense of the employers.

Generous as this plan is and creditable to the great heart of the corporation chief who conceived it, it is true nevertheless that it fails to come up to the standards in other particulars as well as in the matter of joint contributions. There is not—indeed, when employees are not interested as contributors, there cannot be, in any efficient sense—joint management; and the benefits are inadequate, both as to amounts and as to form and duration of payments. They need to be supplemented by such additions as reasonable contributions by employees would supply. In other words, the employer's contributions, while liberal, are perhaps not larger than they ought to be in a fund of standard type; and, by failing to require employees to contribute, the employer is really not more generous than he ought to be, merely more indulgent. In order to provide ample benefits of the right sort, the contributions of employees, which he does not call for, are urgently needed.

The effect of attaching free benefits to employment should also be considered. It is quasi-eleemosynary and therefore demoralizing. If it takes the place of increased wages, it is really a system of contribution by employees. In any case, the employee is encouraged to feel, when passing into other employment, that he ought not to be compelled to provide that which was accorded him without charge. His viewpoint, also, is transformed. This is not a fund, largely built up from contributions of himself and his fellows, to conserve and protect which from unfair invasion is his duty, but merely money open to him upon express invitation to help himself and not diminished so as to call for his contribution, whatever inroads he and his fellows make upon it. Effective supervision of benefits may abate these depredations; but, if so, it will be expensive; it will in no wise alter the employees' point of view; and, to be effective, it will introduce espionage and harsh treatment, strangely out of harmony with the generous plan. Precisely such safeguards have perforce been adopted by organized charities and for the same reason, *viz.*, that free benefits are something for nothing and tend to pauperize,—*i. e.*, to cause men to set their wits to planning to get the free benefits.

Though a reasonable, substantial contribution should be required from employees, there is room, without incurring such evils as these, for great liberality on the part of employers, of which there are many instances in this country and abroad. What this reasonable contribution should be, at the minimum, is a matter for careful consideration. Theoretically it is easily determined; that portion of death and disability costs which would fall upon the employee, were he engaged in an independent vocation, such as that of clergyman, merchant or lawyer, may fairly be borne by himself. The additional costs superadded by the hazards of occupation and of unhygienic environment attending men so engaged, are essentially social and an element of the cost of production and of distribution, and so should be assumed by the employer as a means of passing the same on to the consumer, though it is better, perhaps, that a part be transferred to the state, to the end that there may be public assistance in supervision and in prevention. Even in the absence of this, the co-operation of the employer and his employees in the management will do much for prevention.

That much can be accomplished even in the last-mentioned regard is shown by the fact that in a period during which social insurance was introduced, the average lifetime of German men increased no less than twelve years. Anything like that number of years saved in the productive ages tremendously augments the effectiveness of a people in industry and the average comfort and prosperity of its families.

We have not much upon which to base a calculation of what the minimum contribution of employees should be. Two figures, derived from federal government sources, may be of some service, however, as regards sickness. One is derived from statistics regarding absence of clerks in the government departments on sick leave, which is found to average 4.8 days per annum. The other is an estimate by the federal industrial commission that workmen on the average lose 9 days per annum through disability. These figures are not conclusive, but so far as they go, they imply that about 4.5 days per annum or about 1.5% of the average working time of 300 days would be the rate of disability, free of industrial hazards.

As the standard rate of benefits ordinarily given is two-thirds wages, the rate of cost of benefits for disabilities not due directly or indirectly to occupation works out at about 1% per annum upon the wages. This figure is approximate merely but that it is not far from the fact is confirmed by many considerations, among which are the following: The net cost of the single indemnity disability benefits in a health insurance policy issued in preferred occupations is figured at somewhat under \$4 per annum for a \$5 weekly benefit, payable for disability due to sickness or accident. The companies do not publish their experience; but as a \$5 benefit is two-thirds of \$7.50 per week, or say \$350 a year for a 300-day working year, evidently a cost of under \$4 a year works out at about 1.15%. The three days off would reduce this below 1%. In computing probable costs for employers who were considering establishing or extending mutual aid plans, our office has arrived at figures ranging from under six days disability per annum to over twelve days. By the standards used, certainly not less than 50% extra disability (or one-third of the whole) even in the most favorable cases, would have been traceable, directly or indirectly, to occupations. This minimum figure, *i. e.*, 50% extra disability due directly or indirectly to occupation, would apply to the sickness experience tables, prepared by us and appended to this paper. Such tables, however, do not provide for the portion of periods of disability extending beyond 39 weeks.

Assuming that the nine days disability per annum among American workmen reported by the federal industrial commission can be relied upon as an approximate average, half this cost on the average should be defrayed by the employee—say 1% of his wages.

The mortality rate at age 40 (which may perhaps be taken as roughly the effective average age of workmen) among lives not exposed to special occupation hazards was found in the medico-actuarial investigation to be about 6 per 1000 per annum. This is what is known as the "ultimate" rate, *i. e.*, omitting lives which have recently passed medical examinations. To provide a funeral benefit of \$100 at this rate

would cost 60 cents per annum. The average earnings of American wage and small salary (under \$1200 per annum) workers may be taken at \$750 per annum, upon which this cost per annum is 8/100 of 1%.

In investigating costs for employers who desired to establish or enlarge mutual aid funds, however, our office has found the effective average age of the employees to range from 26 years to 48 years, calling for very different percentages than the foregoing.

Applying the standard benefits to dependents, about the same as under the New York compensation law, to the case of a male employee with a \$15 weekly salary, it is estimated that the average present value of these benefits at the moment of his death is 3.6 times his average annual earnings of \$750 per annum, *i. e.*, for an employee earning that amount, \$2700 on the average. This, at an average annual mortality rate of 6 per 1000, *i. e.*, the rate upon lives of average effective age 40, not subject to occupation hazard, would cost \$16.20 a year, or 2.16% of the annual wages.

Assembling these percentages, we have a total cost of the standard benefits without allowing for occupational effects:

|  | <i>Per cent of wages</i> |
|--|--------------------------|
| Cost in safe occupations of disability benefits, two-thirds wages from 4th day throughout disability . . . | .0100                    |
| Funeral benefits . . . . .   | .0008                    |
| Provision for dependents . . . . .   | .0216                    |
| <b>Total . . . . .</b>   | <b>.0324</b>             |

All the foregoing figures embrace accident, as well as sickness or disease; but, as it is assumed that in these occupations there are virtually no accident or other disability hazards due, directly or indirectly, to the occupation, these figures stand.

That they are approximate, however, and, even as regards an annual average for white employees, are subject to many changes and corrections, must be taken into account, as also very particularly that, as regards any given group, such as the employees of a given employer, material changes may

be required on account of age distribution, race or color or all of these together. Except in a state or national compulsory system, the general figure, even though it be confirmed by further investigation, cannot be taken without qualification. Investigation is necessary in each case if the employer and his employees would avoid disappointment as to costs and consequent danger to the fund; because costs vary greatly.

Yet such studies are valuable chiefly to ascertain the probable total costs; and no great harm could result, were the contribution of employees to funds supplying these benefits made, say, two to three per cent in every case, the employer covering the excess. This would merely have the effect, so far as employees' contributions go, of averaging the portion of the cost properly chargeable to them, and so far as employers' contributions go, of causing them to cover the cost in their plants over and above such average cost, instead of over and above a lower or higher net figure, due to age distribution of employees. A lower figure is pure generosity on the part of the employer; it is often given.

A state or national compulsory system it seems clear would work out better on this basis than on any other method yet employed, for these reasons:

1. It would make employees' contributions the same everywhere, without regard to fund in which insured, to occupation or employment—a simple, easily understood scheme.
2. It would prevent mere jockeying of employers to get a higher rate imposed upon employees.
3. It should turn the attention of employers exclusively, or very nearly so, to plans of prevention and of early cure to keep down the additional cost.

Power could be given to a supervisory authority to penalize if the employer seeks by unsocial means, such as repeated medical selection, deliberate exclusion of married employees, *etc.*, to keep down the cost. Such penalty could even go the length of withdrawal of establishment-fund privilege, and of right to individual consideration as to rates in the public fund.

As regards establishment or mutual aid funds, operated voluntarily by employers in the absence of a compulsory law,

whether contribution be required at this approximate average rate, at a lower or a higher rate determined by age distribution, or at a lower rate than the rate so determined, it is sufficient to assure all the advantages of contribution by employees and their participation in the management, provided their contribution is a substantial one, say not less than 1% of wages or salaries. This will assure that sense of participation, that feeling of actually securing something by paying for it, which is so necessary in order to preserve a correct viewpoint for self-respecting workmen and other employees, and in order to cause them to co-operate with the employer in the management of a fund which is jointly contributed by employees and employer, and in the successful management of which both are interested.

Several questions ought to be asked and answered:

1. Are there establishment or mutual aid funds in the United States, which approximate these standards?

The answer is that there are, in successful operation, both in enterprises with many thousand employees, such as the Westinghouse Companies of East Pittsburgh and of Wilmerding, Pa., and others with a small number of employees, such as F. C. Huyck & Sons of Albany, New York. Also in certain railway, traction and mercantile funds, these standards have been approached.

2. Is it found that a large proportion of the employees contribute and participate in the fund?

The experience is, among such funds with which our office is in touch, that from 80% to 100% have come in and that, unless there is a miscarriage somewhere, the proportion increases.

3. Do the employees actively and effectively participate in the management?

In the funds referred to, it is virtually unanimously testified by representatives of employers on the joint boards that the employees' representatives are severer in cases of apparent simulation or malingering than they themselves have been. This is doubtless because the employees' representatives are of the same class and understand the temptations and weaknesses of its members.



4. Is it not a great hardship to employees who have contributed, to be deprived of their insurance when discharged or otherwise quitting the employment?

The employee has received full value for all he has paid and very much more, on a fair contribution plan. Undoubtedly it is unfortunate that there is no compulsory public provision, so that, at the same cost or in any case at a fair cost, the employee would be insured, whatever changes in employment he may make. But, there being no such provision, it is unreasonable to complain of the fairminded employer who makes this provision for his employees. He cannot be expected to make or to continue such provision for the employees of others or indeed for any persons not his employees.

5. Why cannot the employee be permitted to keep up his membership, after quitting his employment or being discharged, by paying the whole cost?

The employee has, as stated, received more than full value already. To permit this would put the employer at an unfair advantage; for all who were old or in bad health, or at least most of them, would hang on. The scheme would be likely to break down through adverse selection.

6. Why cannot the contributing employee have his money back (less any benefits he has drawn) upon his discharge or quitting the service?

That would not be insurance but merely saving money. A well-planned fund collects from workmen no more than the average current net cost, from year to year, for the protection furnished them, as if they were as safe risks as those in non-hazardous occupations; nothing remains of their contributions to be returned. They will already have had more than value for their money; a good part of the cost will already have been paid out of the employer's contributions. This will not be true, however, if (a) contributions to a fund to provide old age annuities have been collected from employees, (b) such contributions have been collected to provide life insurance on level-premium plans with accumulating reserves, or (c) such contributions, graduated according to age, have

been collected to provide sickness insurance on the level-premium plan. In such case there should be a partial refund.

7. Why cannot the discharged or withdrawing employee have his "share in the funds"?

Except in the cases just mentioned all the funds on hand and much more will have been contributed by the employer. Moreover, the terms upon which contributions are made are that they are not returnable. Neither the contract nor the equities call for the return of any portion; and, if the rates have been correctly computed, all these funds will be needed.

8. Are not employees often virtually compelled to join? If so, ought this to be?

The purpose of an employer in providing these standard benefits through such a fund, especially when coupled, as is usually the case, with service pensions, is to assure that neither an employee nor the dependent of an employee shall come to bitter want through the employee's disability, old age or death. If some employees do not come in, he can realize this only measurably; there will still be disabled employees and their families and the dependents of deceased employees in bitter want, through the folly of such employees. The writer of this paper favors compulsory social insurance, and until such is secured would gladly see employers make membership in a mutual aid fund compulsory. The nearest approach to compulsion nowadays is usually the giving of preference in dismissing and taking on employees, other things being equal, to those who are or consent to become contributors to the fund. As high as 100% of the employees have been secured at the outset, by the seductive compulsion of benefits about up to the standard, with the employees' contribution at 1% of wages and with liberal service pensions to which they did not contribute. Very often employees are encouraged to come in by being admitted to the right to service pensions without contributing to these pensions.

9. Do not establishment and mutual aid funds often interfere with disability and death funds maintained by employees' unions?

As a rule the disability and death funds of the trade unions

do not furnish anything like adequate provision. Their sickness benefits are low and are paid only for brief periods; their death benefits are small and are payable in one sum. Employees belonging to the union commonly keep them up without regard to membership in mutual aid funds. Instance the railroad brotherhoods, all of which have flourishing benefit funds and all of which operate on roads where there are aid funds.

10. Do not establishment funds encourage employees to refuse to join trades unions?

Aside from any overt or covert interference of the employer so to use the aid fund, it is not clear why it should do so, if the employee wishes to be a union man. To be sure, he may offer that as an excuse if he does not want to join; or, if all he wants is the protection of the insurance, he may not join because he has that protection. But a union man who belongs only for the insurance benefits is a poor stick and really no union man at all.

11. Do not employers often use such funds to prevent employees joining or belonging to a union?

No, not often. It has been tried, not once only nor many times, but several times. The coal-mine proprietors of Great Britain tried it on a big scale and were beaten. One of my clients once tried it, upon the sudden order of an overworked, absentee president, soon to disappear under a cloud, and it failed. In both cases, it did great injury to the aid fund; the unions emerged the stronger for the struggle. Some funds were established to head off unions. This was true of one of the great railway company funds, organized after defeating a strike; the unions have been back for years, the fund also persisting.

12. Do not establishment funds operate to restrain employees from demanding their rights and striking to enforce them?

Undoubtedly some employers have established such funds with this expectation; their expectation, however, has never been justified by the result. The rights about which employees go on strike are usually hours of labor, conditions of

labor, and wages. It is too much to expect that employees who consider that they have serious grievances of this sort will fail to assert their rights because of any fund, however liberally conceived and carried out.

The chief officer of a corporation once consulted our office concerning establishing a fund with that end in view. He was persuaded that such a result could not be expected, and that the fund was desirable on other and better grounds. It was established. The strike came a year or so later. The fund was popular with the men up to the time of the strike, with the strike-breakers during the strike, and with the men when they returned; and no effort was made to use it to prevent the strike.

It may fairly be claimed as a merit of the establishment fund that it discourages strikes in two ways:

First, it discourages striking on trivial grounds, not because the fund is used as a club, but because to quit so desirable an employment and to lose so desirable protection on trivial grounds is manifestly a foolish thing. Responsible officers of labor unions have reason to be relieved from a great anxiety when there is such a restraint upon a propensity sometimes exhibited to strike in season and out of season, for any reason and for no reason.

Second, the participation of representatives of the employer and of the employees in the management of the fund has accustomed them to confer together concerning matters of mutual interest, to know one another and usually to trust one another. Consequently, when issues arise, the door is likely to be open for conference, rather good-natured than otherwise, even if without result, instead of the usual atmosphere of aloofness, suspicion, distrust and mutual misunderstanding. Of course, this makes for industrial peace, for it enables the issues to be thought out, talked out, even fought out, without rancor. And even when the strike comes, it may and should keep the door open for continued or repeated negotiations.

This means not less, but greater, real efficiency of trade unions. The committee of the British Trades Union Congress so reported regarding German trade unions which have so

thrived in comparative industrial peace, largely because representatives of employees and of employers are accustomed to deal together in the social insurance system.

13. Is not membership in establishment funds utilized to break strikes by causing employees to return to work, or former employees now on pension to act as strike-breakers?

The latter has been tried in Canada, and there were rumors that it would be attempted here, had the threatened eight-hour strike come off. These pensions should vest absolutely, subject possibly to divesting in case the pensioner engages in employment detrimental to the interests of the employer, but not in case he does not obey orders. So to use it is not creditable to the employer and also greatly reduces the value and attractiveness of the pension system; but it has little influence upon a strike.

Complaint is also sometimes made that notice is given that strikers forfeit their membership; but that is really a mere statement of fact, already known to them, and ought not to matter much. There are also instances of employers notifying the strikers that all who report for work at a certain hour will be re-admitted to the fund without examination, otherwise not. But there comes always in every strike, if unsuccessful, a time after which such a rule would be enforced; and such a notice is of no avail, unless the strike is already beaten.

14. May not employees or their dependents be deprived of their pensions or benefits, even after they have been granted?

Reference has been made already to unfair cancellation of pension; to avoid this, it should vest and that is now the rule. There have also been instances when the insolvency or even the mere retirement from business of the employer, though perfectly solvent, cut off the pensions and benefits. This should be rendered as nearly impossible as may be, by proper rules vesting the same and providing for their maintenance.

This may be done by establishing an ample and solvent trust fund, by pledging the entire credit and resources of the employer, by doing both, or by insuring the benefits in a responsible insurance company. There are objections to each. No one of them necessarily assures solvency beyond a peradven-

ture as a well-planned compulsory public system would do; for a fund can become insolvent, an employer can fail and an insurance company also can fail. An adequate trust fund to provide at least the present values of all benefits and pensions allowed, together with the employer's guaranty, is perhaps the best.

16. Might not the provision be made to advantage by means of insurance in a casualty insurance company or a life insurance company?

There is always the disadvantage that the co-operation of representatives of employees and their employer in the management is either entirely missing or greatly impaired; and also the further disadvantage that strangers are brought between the employer and claimant-employees.

The benefits also are usually nowhere near up to the standard. The disability benefits are likely to be smaller and limited to brief periods, and their payment to be subject to severe and numerous conditions. The death benefits are usually small and not in the form of provision for dependents during dependency. The cost, in proportion to the value of the benefits, is also usually much higher; for there are special expenses and profits to be provided for.

There has been an extensive resort to insurance in stock companies in recent years, since "group insurance" was introduced; but it has been almost wholly by employers who had previously had no aid funds in operation. It has usually also been wholly at the expense of the employer; and sometimes simply a single "flyer," by way of a Christmas gift or the like. This, of course, negatives the idea of joint participation in the management.

Collective accident insurance was tried, beginning more than forty years ago, and found to be little in demand; collective, *i. e.*, contributory group insurance is hardly likely to prove more acceptable, whether covering disability or death. Group insurance is perhaps far more likely to be a forerunner of social insurance than to prove a permanent feature. There are, however, cases in which its use is fully justified, and even called for, under existing conditions.

The following table, prepared by our office, shows the average sickness experience, *i. e.*, days lost by disability, in the aid funds of the Westinghouse Electric and Manufacturing Company and the Westinghouse Air-Brake Company, respectively. It is the first American table of this sort based upon actual insurance experience.

| <i>Age</i> | <i>Electric Co.</i> | <i>Air Brake Co.</i> |
|------------|---------------------|----------------------|
| 15         | 7.82                | 6.24                 |
| 16         | 7.66                | 6.49                 |
| 17         | 7.50                | 6.47                 |
| 18         | 7.34                | 6.24                 |
| 19         | 7.18                | 5.98                 |
| 20         | 7.02                | 5.67                 |
| 21         | 6.86                | 5.40                 |
| 22         | 6.70                | 5.21                 |
| 23         | 6.54                | 5.11                 |
| 24         | 6.39                | 5.11                 |
| 25         | 6.24                | 5.19                 |
| 26         | 6.09                | 5.31                 |
| 27         | 5.95                | 5.47                 |
| 28         | 5.81                | 5.60                 |
| 29         | 5.68                | 5.73                 |
| 30         | 5.56                | 5.88                 |
| 31         | 5.46                | 6.03                 |
| 32         | 5.53                | 6.17                 |
| 33         | 5.63                | 6.30                 |
| 34         | 5.74                | 6.40                 |
| 35         | 5.88                | 6.47                 |
| 36         | 6.03                | 6.53                 |
| 37         | 6.17                | 6.59                 |
| 38         | 6.30                | 6.65                 |
| 39         | 6.40                | 6.71                 |
| 40         | 6.47                | 6.76                 |
| 41         | 6.53                | 6.82                 |
| 42         | 6.58                | 6.89                 |
| 43         | 6.65                | 7.00                 |
| 44         | 6.70                | 7.14                 |
| 45         | 6.87                | 7.31                 |
| 46         | 7.07                | 7.51                 |
| 47         | 7.31                | 7.76                 |
| 48         | 7.60                | 8.05                 |
| 49         | 7.95                | 8.37                 |
| 50         | 8.37                | 8.72                 |
| 51         | 8.87                | 9.14                 |
| 52         | 9.47                | 9.71                 |
| 53         | 10.21               | 10.50                |
| 54         | 11.15               | 11.41                |
| 55         | 12.38               | 12.50                |

## DISCUSSION OF TRADE UNIONS AND MEDIATION AND CONCILIATION

N. I. STONE: I most heartily concur in the position taken by Mr. Cohen in laying down a constructive program for dealing with disputes between employers and employees. The program is a very ambitious one, and I suppose it will take some time before it can be really inaugurated.

From the conditions which Mr. Cohen postulates, I believe it would be difficult to dissent. I presume, however, that they carry with them certain corollaries which I did not hear mentioned, and which probably he did not have time to develop. For instance, the abolition of the strike, which is practically what Mr. Cohen wants, must carry with it a recognition of the right of the worker to a living wage. The right of the manufacturer to a share in the increased profit resulting from increased efficiency or from the introduction of improved machinery must carry with it a recognition of the right of the worker to a share of the surplus product. Likewise, the right of the manufacturer to run his business according to his own discretion to secure efficiency, carrying with it the right of discharge of the workman who is not efficient in the opinion of the manufacturer, must carry with it as a corollary the right of the discharged worker to review before an impartial tribunal the causes of discharge and the question of compensation for the time lost if he is restored in the position. Finally, if manufacturers fail to live up to the award of the board of arbitration, there must be recognition of the right of society to step in and enforce its decision, by taking charge of the industry or the shop or the railroad, or else the employees must be granted in that case the unlimited right to strike.

ARTHUR B. FARQUHAR, York, Pennsylvania: I have some advantages over those who have spoken in having been engaged in business more than sixty years. I learned the trade over sixty years ago through manufacturing, in order to equip myself for starting business. For twenty-five years I was head office man and superintendent of the factory. Of course, I knew all the men personally, and a strike or difference would have been as impossible as it would be in my own family, and that same system would prevail to this day if business were conducted in the same manner. If the factories were



small enough so that the head of the factory could become acquainted with all the men or could have responsible, reliable men under him who would be acquainted personally with all the men, that would serve to preserve friendliness.

Of course, the rule laid down by the great Galilean philosopher, "Do unto others as you would have others do unto you," would appear to be the solution of the whole question, but we haven't risen up to that stage yet. We haven't yet tried the experiment of Christianity, which would settle all the difficulties that we have. It will be some time before that will be fully tried, but in the meantime there is a better feeling today between employers and employees than there has been for a number of years past, and I think that condition is improving. The two sides are learning to come together. In municipal matters, transportation, things that affect the public, the law has a perfect right to step in and make it impossible to suspend the production of gas, the water supply or railroad transportation, which would simply starve the people. Such questions should be arbitrated. The state has just as much right to regulate the one side as the other side, and it should require arbitration. Failing that, it should have the power which it has in France, to mobilize the men and call them in under power to work until the matter is adjusted. That is clearly just and proper since the people in the cities would really starve to death if the transportation were stopped. It would be as bad as war. A strike is a good deal like war, and any one who witnesses war as I did a month or two ago in France, would think that impossible in this twentieth century.

There is no occasion for it. There is no such thing as a good strike. I have never yet known one that did any good to either party. There is something all wrong on both sides whenever there is a strike, and I believe that with increased intelligence strikes can be done away with altogether.

JULIUS HENRY COHEN: I think Dr. Stone will find when he comes to read my paper that the right of review in the plan is as broad as he would like it to be. I think he knows my views with regard to that.

With regard to the right of the impartial tribunal to take into account more than the minimum or living wage, I think that ultimately that will be necessary, but if the program as outlined here is ambitious, it would be altogether too ambitious to attempt at this time to formulate a principle upon which either the reward of employers or the

reward of employees can be determined. I have contented myself with stating in this paper that the rule should be what is fair and reasonable. I don't believe we have any established principles to govern us today ; I believe that we shall have to find them, and that the establishment of the machinery will be a process by which we shall find them.

With reference to the enforceability of agreements or awards against employers, I can't see any difficulty in that, because the experience with arbitration in the past has been that it is easier to enforce the awards against employers than it is against employees. In Australia, as I get it from recent reviews of the experience there, it is fully possible to enforce it against the employers, but very difficult to enforce it against the workers.

## ARBITRATION OF LABOR DISPUTES AFFECTING PUBLIC SERVICE CORPORATIONS

OSCAR S. STRAUS

Chairman, Public Service Commission, First District, New York

THE best thought of statesmen and publicists in the leading nations of the world is now being concentrated upon plans and methods possible of adoption after the ending of the war in order to guard against the recurrence of such a catastrophe, with all its attendant horrors and sacrifices, as now afflicts the world. Some plan consisting of a league of nations with power to induce or compel nations to submit their grievances or differences to an international commission for investigation and report before going to war, or to an international tribunal, as the case may be, has been approved in principle by the ministers of foreign affairs and other leading statesmen in Great Britain, France and Germany. The statesmen in approving such a league are conscious of the fact that it involves a limitation of the individual sovereignty of the states which become members of such a league. This limitation, however, the statesmen, in approving the principle, are prepared to make in order to secure a better guarantee for the peace of the world than has heretofore existed.

In September last a threatened strike on the entire transportation system of the country brought us to a realization of the fact that our industrial system is in a state of anarchy. This brilliant gathering tonight is the fourth and closing session of a series of discussions to find ways and means to provide against industrial anarchy.

Robert H. Ingersoll, in one of his inimitable and eloquent addresses delivered some years ago upon "The Government of the World," severely criticized the orthodox ideal of the divine interposition in the affairs of men. Some of his clerical critics replied to Ingersoll by asking him how he would construct a better world. He replied by saying that, first and fore-

most, instead of making disease contagious he would make good health contagious. In the same spirit, instead of class antagonism it should be our aim and hope to secure industrial solidarity. It was to be hoped that under a democracy such as ours the class struggle between employers and employees would more readily find an equitable solution than in countries which did not have a government of and for the people. But in recent years as our industries have grown greater this struggle has become more compact, more serious, and more extended.

In the past there have been from time to time strikes and threatened strikes upon our railway systems, first upon separate railroads, then upon connecting lines, and then for the first time in 1912 a strike threatened by the Brotherhood of Locomotive Engineers on the fifty-two railroads east of the Mississippi. This concerted movement resulted in joint action on the part of the engineers as well as on the part of the managers of the railroads in question. After all other methods of conciliation had failed and after a strike vote had been taken, the dispute was referred under agreement to a board of arbitrators of seven members, of which board I was a member and for some time chairman. It was composed of one member representing the railroads, another the employees, and five neutral arbitrators appointed by the Chief Justice of the United States, the presiding judge of the commerce court and the United States commissioner of labor. After a long and patient hearing we arrived at a decision. While this decision was not entirely acceptable to either side, in the study which it involved we went into the subject with some degree of thoroughness.

The recent threatened strike in September instead of being by one brotherhood involving thirty thousand men was by the four leading brotherhoods of railway employees representing four hundred thousand men and involving the entire railway transportation of the country. In that controversy the railway managers offered arbitration but the brotherhoods absolutely refused to consider it. The refusal of the one side or the other to arbitrate is usually based upon the conviction that it is strong enough to force the other side to yield. It is only where neither

side is quite sure of its power that the method of arbitration is likely to be adopted.

Our political system, especially in questions involving large numbers, is weakest on the eve of an election. This is especially true in a representative government when the representatives are appealing to the people for re-election. I trust I am not treading on partisan ground in expressing the belief that the Adamson (so-called) eight-hour law could not have been railroaded through Congress as it was under the whip of the railway brotherhoods without an opportunity of inquiry or investigation, had it not been on the eve of an election. Some seventy Republican representatives by voting for the bill showed themselves no less amenable to the whip than their Democratic colleagues.

The President, in urging the passage of the Adamson law and giving it his approval, had a program in view which embraced a plan for compulsory investigation before strikes or lockouts, and a law empowering him in case of military necessity to take over the roads for the time being and draft train crews into service. The brotherhoods gained their contention by the passage of the law. Since then their spokesmen have distinctly made it known that they will resist with added power of numbers the remainder of the President's plan, and according to press reports, that if compulsory investigation be made the law, they will refuse to obey it.

This situation and attitude of organized labor require serious consideration. If organized labor should under the circumstances carry out the threats of its spokesmen, the condition thereby created would threaten serious civil disturbances and anarchy in our industrial life.

The problem in respect to public utilities presents an entirely different and more serious consideration than the same problem in relation to private industries. The industrial problem in public utilities involves the welfare and necessities of the whole people within the areas affected, and subjects them to the arbitrary power of two comparatively small but progressively more compact groups, namely, the operators and the employees. Within the past thirty years we have made con-

siderable progress in state and nation in placing one of these groups, the operators, under more and more government restraint and control. So far, however, as concerns the other group, the employees on our public utilities, the tendency has recently been in the opposite direction—to free this group more and more from government restraint. This tendency has been rapidly advancing—I was about to say it has been progressive, but retrogressive would be more nearly correct.

There are two ways of adjusting these contentions, either by peaceful and equitable means, or by those barbarous means which lead to serious civil strife. The paramount question, therefore, is how and to what extent the power of the state should be applied in order to compel these two industrial groups, the operators and the employees, to subordinate some of their group rights, just as the individual must subordinate some of his natural rights, to the general welfare.

Public service corporations are monopolies and endowed with the right as well as with the duty to serve the public. In other words, such corporations are dedicated to public interests. In order that these public service monopolies may be at all times enabled to serve the public, the employees must also be made to recognize a duty to the public. They should not be permitted to rely on the public necessities so as to compel public utilities under threats to concede their demands, however unjust they may be. But in return there should be accorded to such employees and guaranteed to them exceptional wages and conditions of service. It has been suggested that there should be in each state and in the nation a commission with power to regulate not only rates but also wages. The human element, wages and conditions of employment, should be paramount. Rates should be subordinate to wages and not wages, as now, subordinate to rates.

This can be done in public utilities because in their nature they are non-competitive and monopolistic within the area where they operate, while other industries are competitive, and now under the anti-trust laws are prevented from becoming non-competitive. In a recent case (*C. B. & Q. R. Co. v. Maignre*, 219 U. S. 549), the Supreme Court stated, in an opinion by Justice Hughes:

Freedom of contract is a qualified and not an absolute right. There is no absolute freedom to do as one wills or to contract as one chooses. The guarantee of liberty does not withdraw from legislative supervision that wide department of activity which consists in the making of contracts or deny to government the power to provide restrictive safeguards. Liberty implies the absence of arbitrary restraint—not immunity from reasonable regulations or prohibitions imposed in the interests of the community.

I will close these introductory remarks with a quotation from the opinion of the arbitration board to which I have just made reference:

Under the present conditions, the railway employees feel that they cannot surrender their right to strike. The necessity would no longer exist for the exercise of this power, if there were a wage commission which would secure them just wages.

. . . . . A strike in the army or navy is mutiny and universally punished as such. The same principle is applied to seamen because of the public necessity involved. A strike among postal clerks, as among the teachers of our public schools, would be unthinkable. In all these cases the employment, to borrow a legal phrase, is affected with a public use; and this of necessity qualifies the right of free concerted action which exists in private employments.

However, if the principle be accepted that there are certain classes of service thus affected with a public interest and men who enter them are not free concertedly to quit the service, then these men must be guarded in the matter of wages and conditions by public protection; and this it is believed can best be done through an interstate wage commission.

Such a commission should be representative, and should be selected from the three parties in interest, the employers, the employees and the public.

## THE ADAMSON LAW: THE EMPLOYEES' VIEWPOINT

W. S. CARTER

President, Brotherhood of Locomotive Firemen and Enginemen

I AM invited to discuss the points at issue in the recent demands of the railway employees which led to the enactment of the Adamson law. This is perhaps the first opportunity presented for the employees to tell their side, and I assure the representatives of the Academy that railroad employees greatly appreciate the advantages offered through this occasion.

Within recent years you have heard much about bonus systems, as though they were something new. The railroads discovered them forty years ago, and railroad employees engaged in train service know no other system. These bases of wages of railway employees in road service are double in their nature. First, they receive a day's pay for one hundred miles of road covered. They also receive a day's pay for ten hours; on a large percentage of the railroads they get a day's pay for eight hours. Here is where the bonus system comes in. If a train crew take ten hours to transport a train one hundred miles they get a day's pay. But if by bettering their efforts they get this train over the road in seven hours, as a bonus they receive a full day's pay for mere expedition—for the manner in which they have transported that train one hundred miles in less than normal hours. Many years ago train speed in freight service was much higher than it is now; train speed in passenger service was much lower; with the result that the wages per day in these two services were not far apart, because each could earn approximately the same amount at the end of the month. Railroad economy or managerial efficiency has resulted in diametrically opposite conditions today in freight and in passenger service. In order to transport enormous amounts of freight on a single train, the speed of the



freight train has been reduced year after year as the tonnage of the train has increased, except of course where the size or power of the locomotive has increased in like proportion. In passenger service, on the other hand, the speed of the train has increased rapidly, so that with but slight increases in the daily or hourly wage rate, men in through passenger service have received marked increases in earnings, or have an opportunity greatly to increase their earnings. They receive bonuses on the mileage basis; they never work more than ten hours, and seldom over five or six or seven hours, in order to earn a day's pay. In freight service the experience of the employees has been the reverse, except on a few so-called "fast" freight trains. With the great bulk of "dead" freight, which constitutes the mass of freight transported, the trains are *en route* many hours, and it is not uncommon for a train crew to be tied up once between terminals because of the limitations of the federal sixteen-hour law. These are the bases of pay in train service. In yard service, engineers, conductors, foremen, switchmen and firemen are paid entirely on the daily system. But there is a saving clause in their schedule of wages which compels the railroad to employ them the full ten hours or else pay them a full day's pay. Out of this peculiar bonus system, we have in road service the principle: "Ten hours or less, one hundred miles or less, shall constitute a day's work." Under this bonus system the hourly rates of pay have always been abnormally low because it was considered by both employer and employee that as the bonus was paid for making the hundred miles in less than ten hours, an opportunity was given to recoup the losses arising from the lower rate. In the city of Chicago, bricklayers, portable and hoisting engineers, inside wiremen, plasterers, plumbers and gasfitters, steamfitters, stone masons and tile layers receive 75 cents per hour. They work eight hours, and are paid time and a half for overtime during regular working days in excess of eight hours. If required to work on Saturday afternoons, Sundays or holidays, they are paid double time. In that same city, working in that yard, right by the side of the building where these men are employed, the locomotive engineer in switching service receives

only from forty-two and one-half to forty-four cents per hour, and he receives no bonus. The men in the skilled building trades are receiving almost twice as high a rate as the locomotive engineers in the same city. The highest paid man in railroad service is presumed to be the locomotive engineer in freight service on the largest engine in the service; yet he receives an hourly rate less than many of the common laborers and helpers in the building trades. As long as the bonus was sufficient, by making more miles than hours, he was compensated for that extremely low rate; but as the speed of the freight trains began to be less and he was required to use not only ten hours but sixteen hours in some instances to make one hundred miles, he found his bonus was gone, and all he had left was the extremely low rate per hour which he had accepted because of the bonus.

If you want to know why there is industrial unrest among men in freight service, I have told you. Either they should be compensated for their loss of bonus by giving them higher wages per hour, or else they should have an arbitrary reduction in the hours of service in which they may make a hundred miles or in which they may earn a day's pay. To meet that condition it was deemed wise by the employees of the railroads of the entire country to ask all railroads to change the basis of a day from ten hours to eight. They did not want one railroad to do it, or two, or those railroads in any certain section of the country, because they believed that if the eight-hour day was to come it should come to all the railroads at the same time, and should reduce to a minimum that degree of competition existing because of the diversity of hours of labor on different railroads, many of which would be competing.

Under this system of wage payments railroad employees were classed in our western arbitration as "the aristocrats of labor." We were told, and so was the public, that railroad employees were getting more money than the governors. In most instances we find that that high earning power has a story of its own. I have here information taken from an exhibit filed by the western railroads as to how some of these "aristocrats" earn their high monthly pay. These are taken at

random, and I believe I state the truth when I say that there are thousands of similar cases reported by the railroads in their exhibits—perhaps not quite so high in some instances, but very nearly as high in nearly all instances: “E. J. Haven, an engineer on the Great Northern, earned \$212.95 in one month.” Horrible! A man earns two hundred dollars a month! But let’s see how he worked to earn it. He worked 395 hours during that month, an equivalent of  $49 \frac{3}{8}$  days of eight hours each. His wages equaled  $53 \frac{9}{10}$  cents per hour, or \$4.31 per day of eight hours. And I believe he was the highest-paid railroad aristocrat we found. I will take a fireman—and they are typical of them all: “J. MacElmurray, fireman on the Chicago and Northwestern, earned \$135.29 in one month.” The idea of a fireman earning \$135.29 when men in presumably far more responsible positions earn a great deal less! But let’s see what that fireman did to earn that money. He worked  $412 \frac{7}{10}$  hours, an equivalent of  $51 \frac{6}{10}$  days of eight hours each. His wages equaled  $32 \frac{9}{10}$  cents an hour, or \$2.62 per day of eight hours. You can now appreciate why some railroad employees earn abnormally high wages in a month’s period. If those men worked but eight hours a day, or forty-four hours a week, not working Saturday afternoon nor Sundays, as do men in many other industries, their wages would be cut almost in half.

The request of the employees was that in yard service and for all employees engaged in hostler service, the rate now paid for a ten-hour day should be paid for an eight-hour day. That was said to be a 25% increase of wages; but it was not, for with that request was a demand that no such employee should be required to work more than one eight-hour period in any twenty-four hours, thereby arbitrarily limiting his earnings to the same day’s pay that he now earns for ten hours. He now goes farther, for now he is privileged to work sixteen hours under the present ten-hour system, and thereby earn 60% more than a day’s pay; but under the request of the employees the railroads were to be penalized by being required to pay time and a half for every minute they asked one of those employees to work over eight hours in any one twenty-four-

hour period. The change would have meant a reduction in the monthly earnings of such employees by large amounts, because I am sorry to say that those employees who have the "seniority rights" to work longer than a day have seldom failed to exercise those rights. Under the demand of the employees the exercise of such rights would be denied and all employees in yard service would be put on an eight-hour basis.

The request for freight train service was that practically no change be made except that instead of taking ten hours over the one hundred miles, men were required to consume only eight hours. That is, if a train made its hundred miles within eight hours—and according to the evidence offered by the western railroads over 71% of train crews in through freight service already were operating trains at a greater speed—there would be absolutely no effect either upon earnings or the expense to the railroad, provided however, that if men were used more than eight hours, then that punitive overtime of time and a half would be enforced, which would add greatly to the men's earnings and of course in like manner add to the expense of the railroads.

When these committees got together, I think the most impressive feature of the situation was that each side thought it "held a full hand" and determined to "stand pat." I was not at the conference, but at our convention in Denver. But I read the proceedings every day and I must confess that I never saw people stand pat more effectively than did the managers' committee on the one hand and the employees' committee on the other hand. The result was there was no compromise. There could have been a settlement if each had known what the other held. The opportunity for a compromise—and I mean a compromise equitable to all—was passed without a resort to compromise, with the result that the strike vote was taken, the federal mediators were called in, and a proposition to arbitrate was presented by the railroads, first directly to the employees' committee and later through the federal board of mediation. And now the American public is astounded to think that the railroad employees after having aided in securing the enactment of federal arbitration laws,

could absolutely decline to accept the arbitration proffered by the railroads' committee.

I think it is due you to say what influenced the railroad employees' representatives in absolutely refusing to arbitrate. First I may refer to the action of a convention of the organization which I serve. Regardless of a tendency to compromise of some employees then present, those delegates unanimously instructed me under no circumstances to accept arbitration. I believe that their action was wise. You may think it strange that they should pass such a resolution and bind me by such instructions. They had had arbitration in the past, and whether right or wrong they believed that they were not being treated fairly in the selection of arbitrators—and that is said without any intention on the part of myself or any member of my organization to reflect upon the integrity of any of the arbitrators. I have repeated this often and I can't miss the opportunity to repeat it here, because it shows the viewpoint of our members. In the last western arbitration a gentleman was selected as a neutral arbitrator whose integrity, whose business honesty, whose respectability cannot be questioned. He was one of our leading citizens, having occupied a cabinet position—a man who deserves the highest regard of the entire American people. But notwithstanding those qualifications he was very displeasing to the employees. During the arbitration, which lasted many weeks, the employees' committee thought they had discovered a lack of sympathy for the railroad employees in the mind of this neutral arbitrator. An investigation was conducted and we found by investigation that the neutral arbitrator as either director or trustee was the custodian or owner of millions and millions of the securities of the very railroads who were parties to the arbitration. We found that one railroad had \$12,500,000 of its first-mortgage bonds owned by a trust company of which he was a director. Now that doesn't mean for an instant that that would change a man's integrity; but I hope that you will agree with me that his environment had not been such as to make him welcome a very high wage. A protest was made to the representatives of the federal government, and the facts were recited.

This was the official decision of the board of mediation and conciliation: "A knowledge of that fact would have been favorable rather than otherwise to his appointment, and nothing has been brought to our notice since his appointment as an arbitrator which in our opinion disqualifies him as an arbitrator." That description of what makes good neutral arbitrators caused our convention to resolve to lose the position of every employee in the country rather than to submit the eight-hour day to such an arbitrator, regardless of his high standing.

As for being influenced by environment, I know some labor people who used to be radical in labor movements, who by good fortune found high official positions in other lines. I have in mind two general managers who graduated from the positions—and not so long ago—of chairmen of our brotherhoods; and they are protecting the interests of their railroads just as well as they did the interests of the employees; but their mental attitude has undergone a wonderful, wonderful transformation.

Something else occurred at the time the arbitration was offered which caused the employees' committee to reject it. The railroads, because of the limitation of the authority granted to the managers' committee, excluded from any form of arbitration seventy-five of the smallest of the railroads. Where there were a dozen, or less than a hundred, or not to exceed two hundred involved; and where, to express it truly, the railroads could whip the men, the railroads declined to arbitrate; but on those other railroads where there were 350,000 men employed, where the railroads did not think they could defeat the men, there the railroads proposed arbitration. The employees would not accept arbitration for the big roads without the managers' committee including the seventy-five small roads. That may be a bit of news to you; nevertheless it is true.

In addition to that, the railroads had not given authority to the managers' committee to extend an eight-hour day to locomotive hostlers on eighteen of the railroads; therefore they were not to participate in the proposed arbitration. White firemen, hostlers and brakemen on many of the southern railroads were kept out of the proposed arbitration. And no man

whose skin was black could be benefited by the arbitration. A negro was not to be considered in the arbitration—and there were thousands of them employed in the southern district. That was the arbitration which the American people—after we have seen what the press has had to say—think the employees should have accepted. But we didn't accept it, and we never will accept it. If the managers' committee had said, "We want to include everybody on every railroad," we couldn't have afforded to reject arbitration.

Another objection to arbitration is that awards are administered entirely by one of the parties to the litigation. What would be thought of a lawsuit wherein after the jury or the court had rendered a decision it said to one of the litigants, "You enforce this award as you think it should be." That is the way all arbitration awards are enforced. A gentleman who was a prominent arbitrator at one time (our chairman) has just confessed that the opinion he wrote didn't mean in the eyes of the railway officials what the arbitrators had intended it to mean. Our late and very good friend, Seth Low, handed down an award that worried him greatly to the last of his days. He found that the language that he and Dr. Finley wrote—and I imagine they are good masters of English—was distorted to mean a wage reduction where they intended it to mean a wage increase. Then when they called in one of the foremost legal authorities, Judge Alton B. Parker, to ascertain if they could change that language so as to have it mean what they intended it to mean, they were advised by the learned legal authority that they could not. Those are the conditions that have driven railroad employees into a determination not to submit their welfare and the welfare of their families to arbitration.

In conclusion I want to say one thing in regard to this newspaper report that the employees forced the President into the eight-hour day. The people who shout loudest and wave their big stick strongest are not the men who are most coercive in their methods. If there was anybody coerced in that settlement it was the railroad employees. And the big stick was waved without any ostentation, but very effectively, by the

President. By his argument—I don't say by threats—he practically forced our committee to waive all demands for time and a half for overtime and to leave it to the commission to be appointed by him for investigation, whose report when made public may be the basis of either reducing or increasing wages. If ever there was anybody who had to accept a law, it was the committee of the railway employees. We dare not strike with such a law being enacted, with the public saying, "There's the law; obey it." And if the law is subversive of the interests of railway employees, I hope they will be good sports and not get any injunctions against the railroads.



## THE ADAMSON LAW: THE EMPLOYERS' VIEWPOINT

FRANK TRUMBULL

Chairman, Railway Executives' Advisory Committee

I WAS much relieved to find that Mr. Straus hasn't expected to settle this question tonight. I want to, if I may, discuss it from a little broader standpoint than that of schedules. I will not go into these questions of schedules because I am not competent to discuss them, but I might mention to you one illustrative item. A locomotive engineer who pilots your train from Jersey City to Washington is on duty six hours and twenty minutes, and draws \$9.23 pay. There are dozens of illustrations of that kind.

Another point to which attention might be called is the thing that differentiates railroads from other lines of business, and that is the minute regulation of their business. There is an artificial limit upon their profits, which is at the same time a limit upon their ability to do all that they would like to do for Mr. Carter and his associates; they must take this into account every time these questions come up, because the railroad officials know that they must defend everything they do.

I shall run rapidly over the history of this labor question, first taking you back to 1898, when the so-called Erdman Act for mediation of railway disputes was enacted. The first call under that act was from the brotherhood of railway trainmen. That law went along until 1913. It was not satisfactory to either side. But through the diplomacy of our good friend of whom Mr. Carter has spoken, Mr. Seth Low, representatives of both sides got together in New York, went to Washington and in the President's office in the White House all agreed upon the phraseology of what is known as the Newlands Act. That agreement was made on a certain afternoon, and by 6.30 the next afternoon it had been through both Houses of Congress and had been signed by President Wilson. Al-

most simultaneously with that was the passage of an appropriation bill which contained a provision that none of the money appropriated by that bill could be used for the prosecution of labor unions under the anti-trust act. In the following year the Clayton bill was passed which imposed a number of prohibitions upon the use of the courts against labor interests under the anti-trust act. I am not mentioning this to argue it, but simply reciting the facts. Thus we come to the year 1916, and for the first time representatives of all the brotherhoods in train service united in a demand for what they called an eight-hour day. This was nation-wide instead of as before by individual roads or by regions. The managers' committee was formed, of which Mr. Elisha Lee was made chairman. This committee offered to have the matter arbitrated by the interstate commerce commission or under the Newlands Act. These offers were rejected. As Mr. Carter said, both sides were invited to Washington. A few days after their arrival there the President asked the railway executives of the United States to come there to meet him. And there were at one time in Washington more men high up in railroad circles than had ever before been assembled anywhere together. All responded promptly and cordially to the invitation of the President.

He said to us: "It seems to me there is a sort of immobility about my dealings with the general managers. I don't seem to be making progress. I should not be candid with you if I did not say that I am committed to the eight-hour day. I think it is sanctioned by the judgment of society; it is on the way, and you gentlemen ought to give in to it." He then went on to make a proposal under which both sides might accept the eight-hour day, although he was candid enough to say what we know to be true and what he knew to be true, that men in train service cannot be limited to eight hours, and that frequently men worked less than eight hours and got a full day's pay. However, he said that he did not consider the eight-hour question arbitrable, and this notwithstanding the provision of the Newlands Act which he had signed three years earlier, and which distinctly declared wages, hours of service and conditions of employment alike arbitrable.

He also indicated to us that he would use his best efforts to get for us an increase in rates to make up for the increase of expense. We were immediately confronted by several questions. In the first place, what was our duty to investors? Whatever you may think of it, the transportation facilities of this country are dependent on private capital. There can be no extension under our present plan and methods except by obtaining additional capital from investors from time to time. So what was our duty to investors? Should we give up \$60,000,000 a year without investigation? What was our duty as employers to you? If the centuries have brought us anything, they have brought us a disposition to settle disputes peaceably instead of by war. Should we in your interest throw on the scrapheap the principle of arbitration? What was our duty to you as shippers and passengers on our trains? How could we look you in the face if we asked for an increase in rates to make up for an increase of wages which we ourselves thought ought not to be granted without an investigation? And last, what was our duty to a million four hundred thousand other employees who were not threatening us or threatening you?

The railroad managers' committee when they got to Washington offered to leave the whole matter to a commission to be appointed by the President, thus placing themselves unreservedly in the hands of the President. Our executives reiterated that proposal to the President, but it was rejected. We were willing in your interest not to insist upon arbitration, but to leave it to a commission to be selected by the President, and to have no choice in selecting the personnel of that commission. The President went to Congress, as you all know, and the Adamson bill was passed. I wonder if the employees who are troubled about the ambiguities of arbitration awards are happy about the clarity of the Adamson bill!

The President laid before Congress at that time a very well-balanced statement of the situation. He proposed a program of six items, only two of which were enacted. He made a fair statement of what had happened, except that in one sentence of his address, (which I had the pleasure of hearing) he en-

tirely misrepresented our position or did not understand it. After reciting the methods he had tried to apply to bring about a friendly settlement, he said that the railway executives preferred to test this question by the sufferings of the people. It was not we who acted in that way. Our purpose was to have a peaceful settlement, and I speak of it not in criticism but with regret that the President did not comprehend the spirit which moved us. Another thing left unsettled was the demand for time and a half for overtime, as Mr. Carter has said. The President proposed to us to leave this open for future arbitration or dispute. We thought we had better take it all at one bite, because the same men who threatened us and you in August could threaten us and you in January.

Now we have the Adamson law. I will not read it; it is very brief and you know generally of its terms. I will only say that the Adamson Act is in effect not an eight-hour law at all. There is not a line in it restricting the men to eight hours continuous employment. For that matter, the government's men in train service (railway postal clerks) are not limited to *sixteen* hours a day, as other men in train service are. If the employees want the validity of the act sustained, it is in their interest that it should be taken as soon as possible to the Supreme Court of the United States.

If the law is found to be valid, Congress has entered upon a new field full of interesting possibilities—that is, the regulation of wages of employees engaged in interstate service. For example, if Congress has the power to prohibit a decrease in wages, has it the power to prohibit increases? If it has the power of regulating wages, must the wages be just and reasonable, as railway rates are required by law to be? And if so, shall Congress determine what are just and reasonable wages for all railway employees instead of for trainmen only? Will Congress attempt to regulate all these things directly or through a commission? If through a commission, will its findings be mandatory alike upon the employees and upon the companies? If railway capital is enlisted in the public service with obligation to continue it without interruption, will railway employees also be enlisted? If Congress or a commission raises all rail-

way wages, will it raise the rates simultaneously or will investors have to wait for tedious hearings before various commissions? How will new facilities be provided if wage demands have to be acceded to without investigation? Will the equivalent be made up to investors, and if so out of what earnings?

These are only a few of the many interesting questions that will undoubtedly be raised. You will see that it is a matter of prime importance to determine as soon as practicable what is the extent of the power of Congress over wages and whether it is applicable only to employees of common carriers or also to other employees engaged in interstate commerce. Wage increases are being accorded in all directions by different industries, and I am sure railway executives and directors want all their employees to be relatively well paid.

It would simplify this problem very much to repeal the law passed by Congress in 1910 permitting the suspension for ten months of increases in rates proposed by the railways. This law immediately put the railroads in another class from other industries, and put a limitation upon wages as well as upon the improvement of facilities that it has not put on other industries.

In studying the wage question, we can not avoid studying the things that go hand in hand with it. We must get the perspective. You can't deal with it out of its perspective. If the public feel it in their interest to regulate increases of rates at the very time that the makers of steel rails have advanced prices ten dollars a ton and thousands of other commodities have been increased in price, then will the public say, by act of Congress or otherwise, what is the duty of the railways to the employees? The employees' interest as well as the interest of the investors should be safeguarded.

The railway officers twice during the negotiations last summer offered to leave the whole matter in dispute to the determination of a commission to be appointed by the President of the United States, as I have said. This was rejected, but at least the offer evidenced the earnest desire of the executives to substitute peaceful methods for warfare. It seemed to them

that the public would commend them for placing themselves thus unreservedly in the hands of the government without any opportunity to choose a representative in the commission.

A second thing which will help simplify the wage problem is the regulation of all roads engaged in interstate commerce by the federal government. I hope you will advocate that.

*The Locomotive Engineer's Journal* said a few months ago, "No other business in the world but this can stand for forty-nine masters." May I say that the Newlands commission, which has commenced its hearings in Washington, has authority to go into all of these questions, and should provide impartially for safeguarding both employees and investors. The question cannot be satisfactorily disposed of out of its whole environment.

## THE ADAMSON LAW: THE PUBLIC VIEWPOINT

BAINBRIDGE COLBY

I AM to speak for a few minutes from the standpoint of the general public. The public concern is primarily that its industrial and commercial life shall not be paralyzed while two classes arbitrate their class activities and heap their detestations upon each other. I am disappointed that the President's proposals in their entirety were not adopted by Congress, for I do not look upon them as having any relation to the exigencies of a political campaign. The proposals which found their inadequate result in the Adamson law do not indicate the weakness of our political system. Rather it is surprising and gratifying that the President in the critical hours of a singularly close election made a proposal at once so far-reaching and so original.

Mr. Trumbull said that the railway managers were perfectly willing to leave this entire matter, without reservation, to such a commission as the President might appoint. Well, the President has appointed a commission and there are 5,000 injunctions already instituted. It looks to me as if that willingness is more striking after the fact than during the discussion between these embattled groups.

A new spirit is coming into the world. It is the spirit of science, of collectivism and of sacrifice. The youth of the world are for atoning for ancient errors. They are saving the world by their sacrifices. We cannot maintain our place among the nations, we cannot compete upon an equality with a world renewed unless we find some escape from these recurring conflicts between capital and labor.

I personally believe that arbitration is the only way out of these difficulties, simply because we don't know anything else. We got away from arbitration in lawsuits about six hundred years ago. The ordinary tribunal under the ancient English law was a noisy, indiscriminating tumult and the side prevailed which had the most sustained power.

We are coming to the time when the right to strike will be subjected to definite qualifications. I believe that we

shall soon come to a statute to protect the great public interests from these complete breakdowns which come as the result of quarrels not of public making. There will be some lawful forced conciliation which will require of employer and employee a submission of their grievances, not to a board of arbitrators, but to a duly constituted tribunal which has the public confidence, which may interpret public interest and public desires, and impose justice upon contending classes. The President has sounded a high note. He has invited both the labor representatives and the railway managers to co-operate in finding a solution of this admittedly grave problem. It may be that co-operation is doomed to failure. The promptitude with which the railways and their lawyers are taking the field gives little ground for hope. I am displeased with my own profession at the way in which they leap into the arena and inject into a situation of such gravity as this all their little black arts of irrelevancy and substitution and obstruction.

Now let me show to you the position into which the railway companies, with their fretful and nervous promptitude, have drifted. This Adamson law is admittedly not a final solution of the problem. I understand that neither the railway companies nor the men carried to Washington any demand. A situation had arisen of vital concern to the public, and the President invited representatives of both points of view into conference. Upon the disclosure of the true situation, he reported it, as the constitution says he must, to Congress, and Congress by an impressive majority, 239 to 56 in the House and 42 to 28 in the Senate, adopted a law which appealed to their judgment regardless of party bias. It is very much as a board of equity would act. Congress has practically exercised the power of granting a provisional remedy in face of the threat of imminent and irreparable injury. That is the substance of this law. Here was a strike threatened, a strike of which we can form no adequate mental picture. What would have been the loss of a strike to these investors to whom Mr. Trumbull referred with such commendable and touching solicitude? And let me say in passing that the greatest menace to railroad prosperity in this land has not been the demands



of its wage-earners nor even the threatened strike of its operatives; it has been the fiscal jugglery of the railroads by bankers of high repute. I have in mind a railroad not far from here which could not have suffered more from a direct and ruthless program of governmental confiscation than it suffered from the most stupid banking management that we have ever had.

The railroads of this country have been dealt with, and properly, by this country. When the railroads achieve that measure of self-discipline that will protect their revenue and their credulous investors from managerial incapacity, then the railroads may be able to live through a short experimental interval of six months.

Congress has done just what the chancellor of a court of equity does every day in trivial little controversies, namely, granted a provisional remedy. And now we will inaugurate at once an inquiry by a commission of which Mr. Trumbull says the railway managers so freely leave the appointment to the President. This inquiry will last not over six months, and the report must be filed in nine months, to show whether there is an injustice in the statute, whether there is a confiscatory result in it.

And now what have the railroads done? Like a man who has been enjoying the advantage in a court, they dare the court with an injunction. That is practically what they have done. The act of Congress is in the nature of a preliminary injunction, and the railway company upon which the injunction operates comes back and says, "You must not enjoin; we enjoin your enjoining." In other words, it seems to me that they are afraid of a showdown. They would prefer to establish the results of the Adamson law by assertion without taking the risk of demonstration. If I read the reports of railway earnings correctly, if I balance against the insignificant expenditures that this law will entail upon them the immeasurable losses of the strike which would have occurred without it, it seems to me that the railways are under the influence of a deeply ingrained and intense class prejudice. It seems to me that they have not accorded to the President that degree of co-

operation which good citizenship enjoins, and which idealism would inspire. The President invites you to a feast of contemporary possibilities. He would re-create the spirit of truth and injustice, and of constructive striving in the state. Unless we avoid deadlocks, unless we appreciate the necessity of concession, we are in for trouble.

The questions which Mr. Trumbull has raised as to the eventual action of Congress are merely symptomatic of a state of mind. There has never been any proposal of reform that has not been met in a very similar manner. Congress has a very large power, which it has long possessed, which it has by no means created. I am inclined to think that in the days to come we may see some extraordinary exercise of congressional power.

When it was proposed to abolish the death penalty for petty larceny, seven bishops of the Church of England voted in the negative, and gathering up their capes about them, walked out of the House of Lords. The first proposal to light the streets was doggedly opposed on the theory that some peculiar social menace lurked in lighted thoroughfares. The first steamboat was looked upon as contrary to the laws of nature. In the railroad resistance to an attempt to arrive at a scientific solution of these recurrent problems of relations between capital and labor, in this disposition to look upon courageous efforts at solution as a peculiar menace, I see only indications of a similar point of view, a like state of mind.

For the first time in our history as a nation, I believe, we are on the way to a working solution of this problem which has so long baffled the efforts of lawgivers. If the entirety of the President's proposal is fairly examined, experimented with, allowed to demonstrate through operation its true effect, its true benefit, I believe that we shall make a great economic advance in dealing with an important aspect of our affairs. In addition we shall be already upon the highway to a great spiritual and cultural advance, an advance in the direction of this new ideal and constructive state in which a larger measure of happiness will be enjoyed by our people and a larger measure of national efficiency and power will result for our country.

PROCEEDINGS OF THE MEETING OF THE ACADEMY  
OF POLITICAL SCIENCE HELD IN NEW YORK  
NOVEMBER 22 AND 23, 1916

THE annual meeting of the Academy of Political Science, held on November 22 and 23, 1916, was devoted to Labor Disputes and Public Service Corporations. Three sessions were held in Earl Hall, Columbia University, and a dinner session at Hotel Astor. Hon. William Lea Chambers, Commissioner of the United States Board of Mediation and Conciliation, presided at the first session; Professor Samuel McCune Lindsay, President of the Academy of Political Science, at the second session; Professor Edwin R. A. Seligman, of Columbia University, at the third session; and Hon. Oscar S. Straus at the dinner session. The program follows:

FIRST SESSION

Wednesday, November 22, 1916

Earl Hall, Columbia University

GOVERNMENTAL MEDIATION AND ARBITRATION

1. Introductory address by the Presiding Officer
2. The Canadian Industrial Disputes Act  
By *Victor S. Clark*
3. The Australian System of Compulsory Arbitration

By *M. B. Hammond*

Discussion: *Peter J. Brady* and *Paul S. Collier*

SECOND SESSION

Wednesday, November 22, 1916

Earl Hall, Columbia University

TRADE UNIONS AND COMPULSORY ARBITRATION

1. Introductory address by the Presiding Officer
2. The Objections of Organized Labor to Compulsory Arbitration

By *W. S. Carter*

3. Constitutional Aspects of Compulsory Arbitration

By *Thomas I. Parkinson*

Discussion: *George E. Barnett, Everett P. Wheeler* and  
*Emerson McMillin*

THIRD SESSION

Thursday, November 23, 1916

Earl Hall, Columbia University

TRADE UNIONS AND MEDIATION AND  
CONCILIATION

1. Introductory address by the Presiding Officer

2. Federal Intervention in Labor Disputes under the Erd-  
man, Newlands, and Adamson Acts

By *David A. McCabe*

3. A League to Enforce Industrial Peace

By *Julius Henry Cohen*

4. Mutual Benefit and Pension Funds as Aids to Industrial  
Peace

By *Miles M. Dawson*

Discussion: *N. I. Stone, A. B. Farquhar*, and *Julius Henry  
Cohen*

FOURTH SESSION

Thursday, November 23, 1916

Hotel Astor

RECENT ASPECTS OF LABOR DISPUTES AFFECT-  
ING PUBLIC SERVICE CORPORATIONS

1. Introductory address by the Presiding Officer

2. The Adamson Law: The Employees' Viewpoint

By *W. S. Carter*

3. The Adamson Law: The Employers' Viewpoint

By *Frank Trumbull*

4. The Adamson Law: The Public Viewpoint

By *Bainbridge Colby*





Report of the Director of the Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science in the City of New York in co-operation with the American Society of International Law, at the Hotel Nassau, Long Beach, N. Y., May 28—June 1, 1917.

JUNE 8, 1917.

TO PROFESSOR SAMUEL McCUNE LINDSAY,  
Chairman of the General Committee.

Dear Dr. Lindsay,

The Conference has become a matter of history, the newspapers throughout the country have freely commented upon it, and the views of the delegates attending it have been frankly expressed. I feel that a report from the Director of the Conference to the gentlemen responsible for its organization is in place.

The aim of the Conference was to create and diffuse what President Butler so happily phrased as the "international mind." It seemed to the directors of the Academy of Political Science when they held their annual meeting in December 1916 that no other service to the nation could be rendered by the Academy comparable in importance to the realization of that aim. Momentous international events had taken place during the previous two years, and our own country was confronted by a serious situation in its foreign affairs. A proper attitude towards the international situation upon the part of the American people could come only as the result of a campaign of education, for it is generally admitted that because of our comparative isolation even intelligent Americans were not properly informed upon the historical, political and economic background of the great war raging in Europe. To organize wisely such a campaign of education a committee of the Board of Directors of the Academy appointed for that purpose decided on December 30, 1916, to appoint a general committee of distinguished citizens who had previously shown themselves deeply interested in the problems of our foreign re-

lations. The personnel of the General Committee is given below.

At its first meeting the following members of the General Committee were present: Elihu Root, Alton B. Parker, Charles E. Hughes, Adolph Lewisohn, Irving T. Bush, Samuel McCune Lindsay, George A. Plimpton, Henry Raymond Mussey, William L. Ransom, William R. Shepherd, Henry L. Stimson, Munroe Smith, George Whitelock, Edward T. Devine, Frederick P. Keppel, Oswald G. Villard and Stephen Pierce Duggan. The gentlemen present were enthusiastic in their expressions of belief in the wisdom of undertaking a campaign to create and diffuse the "international mind" as outlined by Professor Lindsay who presided. As the result of the discussion it was decided to hold a Conference on the Foreign Relations of the United States during the last week of May at the Hotel Nassau, Long Beach, N. Y. In order to make the Conference nationally representative, it was decided to invite the co-operation of the American Society of International Law, the American Bar Association and the United States Chamber of Commerce. Moreover, as the aim of the Conference—the diffusion of a knowledge of international affairs among the people of our country—could only be attained by means of the hearty assistance of the press, it was decided to invite representative newspaper editors from different parts of the country to be the guests of the Conference and to participate in its proceedings. Finally Dr. Lindsay was chosen chairman of the General Committee and authorized to appoint ~~whatever~~ sub-committees would be needed and Professor Duggan was chosen to be director of the Conference. The membership of the sub-committees is given below.

The director, upon the request of the Executive Committee at its first session, went to Washington to explain the object of the Conference at the annual meeting of the Board of Directors of the United States Chamber of Commerce. The members of the board were enthusiastically in favor of the Conference and promised that the board would be generously represented at its sessions, but stated that as the Chamber can only be committed to any project by a referendum vote of its mem-



bers, it could not be associated with the Conference in an official capacity. The same friendly attitude was adopted by the American Bar Association and it may be noted here that both of these national bodies were liberally represented at the sessions of the Conference. The American Society of International Law heartily agreed to co-operate and the Conference was held under the auspices of that body and the Academy of Political Science.

The Program Committee met at once to formulate a program to accompany the letters of invitation to the newspaper editors and other invited guests. It may be relevant to mention here that the program and executive committees held sessions weekly up to the very opening of the Conference. One serious difficulty met in organizing the program definitively was the recall of an agreement to speak made by members of Congress and officials of the departments of the government at Washington. This action on their part was made necessary by the declaration of war against Germany which necessitated the constant presence of those gentlemen in Washington. The outbreak of war also seriously interfered with the acceptance of our invitation by many of the newspaper editors throughout the country who felt that they could not leave their posts at so critical a time when there was such a pressure of business upon them. It is worthy of note, however, that the idea of holding the Conference met with a most hearty response from the editors. Practically all of them who were compelled to decline the invitation sent a letter of approval of the Conference, and expressed their determination to attend if circumstances would afterwards permit them. One of the most gratifying features of the Conference was the large number of diplomats present, and addresses were made by the Ambassador from Brazil, the Minister from China, the Minister from Bolivia and the Minister from Switzerland. Despite the unfavorable circumstances occasioned by the outbreak of war, one hundred and forty persons, of whom fifty-three were newspaper and magazine representatives, accepted invitations to be the guests of the Conference. In addition to the national organizations already mentioned, invitations were sent to the board of direc-

tors of organizations known to be deeply interested in international affairs. The result was that representatives of The League to Enforce Peace, The World Court League, The Carnegie Endowment for International Peace, The World Peace Foundation, The National Security League, The Woman's Peace Party, and the American Geographical Society were present at the sessions of the Conference. The total number of persons registered as members of the Conference was 287. The entire list of invited guests, delegates from organizations and members of the Academy of Political Science who attended is given below, but I cannot refrain from listing here the newspapers and magazines which were represented.

- The Albany Argus*, Albany, N. Y.
- The Atlanta Constitution*, Atlanta, Ga.
- The Baltimore Sun*, Baltimore, Md.
- The Beacon*, Wichita, Kansas
- The Burlington Free Press*, Burlington, Vt.
- The Brooklyn Daily Eagle*, Brooklyn, N. Y.
- The Birmingham Age-Herald*, Birmingham, Ala.
- The Boston Herald*, Boston, Mass.
- The Chautauqua Institute*, Chautauqua, N. Y.
- The Duluth Herald*, Duluth, Minn.
- The Evening Post*, Charleston, S. C.
- The Evening Argus*, Montpelier, Vt.
- The Galveston-Dallas News*, Dallas, Texas
- The Greek National World*, New York
- Le Temps*, Paris, France
- La Revista*, New York
- The Lowell Courier-Citizen*, Lowell, Mass.
- The Manchester Guardian*, Manchester, England
- The Newark Evening News*, Newark, N. J.
- The New York American*
- The Evening Post*, New York
- The Globe*, New York
- The New York Herald*
- The New York Mail*
- The Sun*, New York
- The New York Times*
- The New-Yorker Staats-Zeitung*

*The New York Tribune*

*The World*, New York

*The Pioneer Press and Dispatch*, St. Paul, Minn.

*The Public Ledger*, Philadelphia, Pa.

*The Pittsburgh Dispatch*, Pittsburgh, Pa.

*The Sacramento Bee*, Sacramento, Cal.

*The State Journal*, Madison, Wis.

*The San Antonio Light*, San Antonio, Texas

*The Times-Picayune*, New Orleans, La.

*The Tennessean and American*, Nashville, Tenn.

It is obvious how representative the newspapers were from the standpoint of geography and influence. But such an enumeration tells but part of the story. The following newspaper associations were represented at all the sessions of the Conference.

The Associated Press

The East and West News Bureau

The Newspaper Enterprise Association

The Noel News Service

The Slav Press Bureau

The Russian Information Bureau

The United Press

The most grateful acknowledgments are made to the Associated and United Press which every evening wired abstracts of the proceedings of the Conference to the 2700 newspapers throughout the country forming those associations.

In addition to the daily press, the program committee thought it wise to have representatives of the magazines, particularly the weekly magazines which have always showed an interest in international affairs. The following magazines were represented at the Conference, in almost every case by an editor.

*The American Journal of International Law*

*The Atlantic Monthly*

*Colliers*

*The Independent*

*Leslie's Weekly*

*The New Republic*

*The Review of Reviews*

*The Survey*

*The World Court Magazine*

That the efforts of the projectors of the Conference to realize its broad and liberal aim were appreciated by those who attended is best shown by a few brief newspaper quotations which are typical of many that have appeared in all parts of the country. In an admirable article that appeared in the *Boston Herald* of June 11, the following statement was made:

The program fitted perfectly into the national situation of today, and even a cursory advance examination of subjects and speakers created an impression, later amply confirmed at the sessions of the Conference itself, that sincere effort had been put forth to secure addresses by men of authority upon their respective themes and to obtain the widest variety of points of view. Delegates commented frequently upon the enormous amount of labor which the program must have cost and upon the smallness of the number of absentees and substitutes. It was clear from the outset that the delegates had come to Long Beach for business, and the lure of the splendid beach and esplanade detained but few from the sessions as they followed each other, morning, afternoon and night.

An enthusiastic article in the *Brooklyn Daily Eagle* of June 6 states:

The distinguishing feature of the Conference was its liberal spirit. The committee in charge took particular pains to have every point of view on every question presented. Every speaker was encouraged to talk right out. Every member of the audience was given a chance to discuss the points raised and to approve or condemn. The result was an unusual amount of keen discussion by the best American experts in law, history and economics, all of which will soon be reproduced from shorthand notes.

While the problems which loomed up were many and serious, it became evident throughout the Conference that an increasing number of Americans are developing what President Butler of Columbia, in his address, called the "international mind." The very fact that so many Americans were able to participate in an intelligent discussion of the world's greatest problems proved that thinking Americans are no longer provincial.

An editorial of the *Baltimore Sun* of June 1 concludes as follows:

It was with the idea of beginning this educational process on a large scale that the Conference on Foreign Relations was conceived by the Academy of Political Science, which was its sponsor. The speakers at this conference are leaders of public thought. They are men of many minds and varying views; they lead in different directions. That does not matter. No agreement upon foreign policies will be reached at the Conference, but trains of thought will be started, ideas will clash against ideas, and discussion of foreign affairs generally will be stimulated. In the course of time, through the newspapers and periodicals, in legislative halls and perhaps in political campaigns, the discussion will reach all classes of the people and the formation of that matured, intelligent public opinion on foreign affairs, which is all-essential if America is to fill worthily her new place in world politics, will begin. Such, at least, is the hope of the projectors of this conference and all patriotic Americans will be glad to see the hope fulfilled.

The statements of individuals concerning the usefulness of the Conference are just as enthusiastic as those of the newspapers. The managing editor of the *Lowell Courier-Citizen* writes:

The Conference seemed to me a most admirable experiment, certain to be stimulative of editorial intelligence in dealing with the problems which are sure to arise as a consequence of the war.

The editor of the *Review of Reviews* writes:

The interest in the Conference was genuine and well sustained to the end. The sentiments that pervaded it were at once those of practical intelligence and of a high conception of international morality. I am convinced that the publication of the papers will have great importance as we begin to approach the peace-making period.

The general secretary of the World Peace Foundation writes:

However good conferences are, I am sorry to say I generally reach my limit of appreciation—not to say endurance—on about the third

day. But, to my surprise and delight, the conference at Long Beach was increasingly interesting and stimulating to the very end. All things considered, I think it the most satisfactory thing of the kind that I have ever had the good fortune to attend . . . I venture to express the hope, which I know is shared by many others, that this is the first of a series of such conferences.

I feel that I can best close with a word of emphasis upon the thought contained in the last preceding sentence. Letter after letter has come from those who attended, making the suggestion that the Conference become a periodic affair. And the opinions of the newspapers on this point can best be summed up in the last sentence of the New York *Evening Post's* editorial on the Conference:

The Conference should be repeated, even perhaps made an annual affair for stimulating our imagination as citizens of the world.

In conclusion, I beg to express my own gratification at having been permitted to assist in the organization and conduct of the Conference.

Sincerely yours,

STEPHEN P. DUGGAN.

## COMMITTEES

### GENERAL COMMITTEE

SAMUEL MCCUNE LINDSAY, *Chairman Ex-Officio*

|                        |                      |
|------------------------|----------------------|
| Felix Adler            | John Bassett Moore   |
| J. O. Adler            | Henry Morgenthau     |
| John G. Agar           | Henry Raymond Mussey |
| Irving T. Bush         | Alton B. Parker      |
| Nicholas Murray Butler | George A. Plimpton   |
| *Joseph H. Choate      | William L. Ransom    |
| James Byrne            | Bernard H. Ridder    |
| Edward T. Devine       | Elihu Root           |
| Stephen P. Duggan      | Leo S. Rowe          |
| Cleveland H. Dodge     | Jacob H. Schiff      |
| John H. Finley         | James Brown Scott    |
| Martin H. Glynn        | Henry R. Seager      |
| David M. Heyman        | Edwin R. A. Seligman |
| A. Barton Hepburn      | Albert Shaw          |
| David Jayne Hill       | William R. Shepherd  |
| Charles E. Hughes      | Charles H. Sherrill  |
| Paul U. Kellogg        | Munroe Smith         |
| Frederick P. Keppel    | Henry L. Stimson     |
| Thomas W. Lamont       | Ellery C. Stowell    |
| Adolph Lewisohn        | Willard D. Straight  |
| Owen R. Lovejoy        | Oswald G. Villard    |
| Sidney E. Mezes        | Henry White          |
| John Purroy Mitchel    |                      |

### EXECUTIVE COMMITTEE

SAMUEL MCCUNE LINDSAY, *Chairman Ex-Officio*

|                                      |                   |
|--------------------------------------|-------------------|
| Nicholas Murray Butler               | James Brown Scott |
| Henry Raymond Mussey                 | Henry R. Seager   |
| Stephen P. Duggan, <i>Ex-Officio</i> |                   |

\* Deceased.

## PROGRAM COMMITTEE

STEPHEN P. DUGGAN, *Chairman*

Nicholas Murray Butler

James Brown Scott

Paul U. Kellogg

Albert Shaw

William L. Ransom

William R. Shepherd

## ENTERTAINMENT COMMITTEE

IRVING T. BUSH, *Chairman*

John G. Agar

Henry R. Seager

David M. Heyman

Ellery C. Stowell

Owen R. Lovejoy

William R. Shepherd

## RECEPTION COMMITTEE

EDWIN R. A. SELIGMAN, *Chairman*

James Byrne

Thomas W. Lamont

Edward T. Devine

Adolph Lewisohn

Frederick P. Keppel

George A. Plimpton

Willard D. Straight

## INVITATION COMMITTEE

CHARLES E. HUGHES, *Chairman*

\*Joseph H. Choate

Alton B. Parker

Martin H. Glynn

Albert Shaw

Henry Morgenthau

Willard Straight

Oswald G. Villard

\* Deceased.



MEMBERS AND GUESTS IN ATTENDANCE UPON THE  
NATIONAL CONFERENCE ON FOREIGN RELA-  
TIONS OF THE UNITED STATES, LONG  
BEACH, N. Y., MAY 28—JUNE 1, 1917

Abney, John Rutledge, New York  
Adams, John H., Baltimore, Md.  
Addams, Jane, Chicago, Ill.  
Adler, Felix, New York  
Agnew, George B., New York  
Allen, Charles T., New York  
Allen, Henry J., Wichita, Kansas  
Alzheimer, Ben, New York  
Alvarez, Alejandro, Washington, D. C.  
Andrews, Fannie Fern, Boston, Mass.  
Arthur, L. Louise, New York  
Atkins, George, Montpelier, Vermont  
Babson, Roger W., Wellesley Hills, Mass.  
Baldwin, Simeon E., New Haven, Conn.  
Barber, Cora L., Brooklyn, N. Y.  
Barcos, Julio R., New York  
Barnes, Charles B., New York  
Barnes, Edward W., New York  
Barnes, Stephen G., Burlington, Vermont  
Barrett, E. W., Birmingham, Ala.  
Baruch, Emanuel, New York  
Beach, H. L., San Antonio, Texas  
Beecher, L. H., Birmingham, Alabama  
Bernheimer, Charles S., Brooklyn, N. Y.  
Bestor, Arthur E., Chautauqua, N. Y.  
Bingham, Stillman H., Duluth, Minn.  
Black, Harry A., Galveston, Texas  
Blankenhorn, H., New York  
Blymyer, William H., New York  
Bolden, Richard Manuel, New York  
Borchard, Edwin M., New York

Bowman, H. M., Newton Centre, Mass.  
Bowman, Isaiah, New York  
Brahm, Joseph L., New York  
Brand, Charles S., New York  
Bray, Frank Chapin, New York  
Brown, Louise Fargo, New York  
Brown, Philip Marshall, Princeton, N. J.  
Brown, Richard D., Brooklyn, N. Y.  
Brown, Mrs. Richard D., Brooklyn, N. Y.  
Bullard, Arthur, Washington, D. C.  
Bullard, F. Lauriston, Boston, Mass.  
Bush, Irving T., New York  
Butler, Nicholas Murray, New York  
Butler, Mrs. Nicholas Murray, New York  
Butler, Sarah, New York  
Byrne, James, New York  
Calderon, Ygnacio, Washington, D. C.  
Carroll, Jane, New York  
Carson, James, New York  
Cawcroft, Ernest, Jamestown, N. Y.  
Clapp, Edwin J., New York  
Colby, Bainbridge, New York  
Colcord, Lincoln, Philadelphia, Pa.  
Cole, J. N., New York  
Collins, Catherine, Long Beach, N. Y.  
Collins, William F., Newark, N. J.  
Corrigan, John, Jr., Washington, D. C.  
Cosey, Alfred B., East Orange, N. J.  
Costigan, I. J., Washington, D. C.  
Crane, Ella E., Brooklyn, N. Y.  
Cummings, Edward, Boston, Mass.  
Da Gama, Domicio, Washington, D. C.  
Dana, William S. B., Grantwood, N. J.  
Davis, Jennie M., Brooklyn, N. Y.  
Defrees, Joseph H., Chicago, Ill.  
Devine, Edward T., New York  
Dickinson, Florence, New York  
Dominici, Santos A., Washington, D. C.

Donovan, John P., Brooklyn, N. Y.  
Doran, E. B., Dallas, Texas  
Dorland, Walter E., New York  
Douglas, George W., Philadelphia, Pa.  
Duggan, Stephen P., New York  
Duggan, Mrs. Stephen P., New York  
Dutton, Samuel T., New York  
Eastman, Samuel C., Concord, N. H.  
Eckman, S. W., New York  
Eder, Phanor J., New York  
Ehlers, William, New York  
Eudeman, Emma, New York  
Farquhar, A. B., York, Pa.  
Fenning, Frederick A., Washington, D. C.  
Filsinger, Ernest B., New York  
Findley, William L. New York  
Finster, Robert R., New York  
Fishel, Kate, New York  
Fisk, Samuel E., New York  
Fox, Austen G., New York  
Fox, George L., New Haven, Conn.  
Franklin, Fabian, New York  
Franklin, Christine Ladd, New York  
Gammans, Nelson, New York  
Gammans, Mrs. Nelson, New York  
Gannett, Lewis S., Brooklyn, N. Y.  
Gates, Merrill E., Washington, D. C.  
Gest, Guion M., New York  
Goldsmith, Peter H., New York  
Goldsmith, Robert, New York  
Grady, Harry F., New York  
Graves, John Temple, Washington, D. C.  
Gulick, Sidney L., New York  
Guy, E., New York  
Gwynn, J. K., New York  
Hackett, Francis, New York  
Hall, James Parker, Chicago, Ill.  
Hamilton, Alice, Chicago, Ill.

Harding, Gardner L., New York  
Hardy, Sarah D. B., New York  
Hart, Albert Bushnell, Cambridge, Mass.  
Hart, Mary Putman, Cambridge, Mass.  
Haviland, Florence Earle, New York  
Haviland, Marion, New Rochelle, N. Y.  
Hayden, Herbert Erwin, Brooklyn, N. Y.  
Helm, Lynn, Los Angeles, Cal.  
Henry, Francis A., Morristown, N. J.  
Henry, Philip W., New York  
Hershey, Amos S., Bloomington, Indiana  
Hershey, Mrs. Amos S., Bloomington, Indiana  
Hewlett, Howard T., Woodmere, N. Y.  
Hibben, Paxton, New York  
Hicks, Frederick C., New York  
Hirsch, Jacob B., New York  
Hixon, Martha B., New York  
Hoerner, Mrs. Henry J., Newark, N. J.  
Holmes, Mary H., Brooklyn, N. Y.  
Holt, Hamilton, New York  
Hornbeck, Stanley K., Madison, Wis.  
Howard, Clarence H., St. Louis, Mo.  
Howe, Frederic C., New York  
Howland, Arthur H., Flushing, N. Y.  
Hull, William L., Swarthmore, Pa.  
Hughes, Charles E., New York  
Hyde, Charles Cheney, Chicago, Ill.  
Hyde, Mrs. Charles Cheney, Chicago, Ill.  
Ion, Theodore P., New York  
Iyenaga, T., New York  
Jackson, Lawrence S., White Plains, N. Y.  
Johnston, Frank H., New Britain, Conn.  
Johnson, Marderos D., New York  
Jones, Richard Lloyd, Madison, Wis.  
Joy, Edmund Steele, Newark, N. J.  
Junod, Louis H., New York  
von Kaltenborn, Hans, Brooklyn, N. Y.  
Kane, J. H., New York.

Karlin, Alexander, New York  
Kellogg, Paul U., New York  
Kennaday, Paul, New York  
Kinkead, Eugene, Jersey City, N. J.  
Kinkead, Mrs. Eugene, Jersey City, N. J.  
Kirchwey, George W., Forest Hills, N. Y.  
Knight, Harriet W., New York  
Knox, Charles S., Concord, N. H.  
Kohn, Mrs. C. D., Chicago, Ill.  
Koo, Wellington, Washington, D. C.  
Krane, Daniel G., New York  
Kratochool, Slavonius, New York  
LaFontaine, Henri, New York  
Lake, Emma S., New York  
Lapouski, B., New York  
de Lapradelle, A., New York  
Lasker, Bruno, New York  
Lasker, Etta, New York  
Lasker, Florina, New York  
Learned, H. Barrett, Washington, D. C.  
Léon, Maurice, New York  
Levy, Joseph M., New York  
Lewisohn, Alice, New York  
Lewisohn, Irene, New York  
Lindsay, Samuel McCune, New York  
Lindsay, Mrs. Samuel McCune, New York  
Lisman, F. J., New York  
Lohness, Mrs. S. A., Long Island, N. Y.  
London, Meyer, New York  
London, Mrs. Meyer, New York  
Lowry, Edward G., Washington, D. C.  
Luykt, Mrs. N. G. M., New York  
Maher, A. P., New York  
Manheim, Viola, New York  
Mantero, C. Belard, New York  
Marburg, Louis C., Montclair, N. J.  
Marburg, Mrs. Louis C., Montclair, N. J.  
Marburg, Mary H., Montclair, N. J.

Marburg, Theodore Herman, Montclair, N. J.  
Marburg, William, New York  
Marden, Philip S., Lowell, Mass.  
Markham, Edgar, Washington, D. C.  
Martin, Frederick Roy, New York  
Martin, George, New York  
Martin, John, Stapleton, N. Y.  
Mayer, Gella K., New York  
Mayer, Max W., New York  
Mead, George W., New York  
Mead, Mrs. George W., New York  
Mead, Lucia Ames, Brookline, Mass.  
Meldrim, Peter W., Savannah, Ga.  
Merrick, Edwin T., New Orleans, La.  
Merritt, Dixon, Nashville, Tenn.  
Mitchell, Charles D., New Bedford, Mass.  
Monroe, Paul, New York  
Moore, D. D., New Orleans, La.  
Moore, Frederick, New York  
Moore, John Bassett, New York  
Moore, Justin Hartley, New York  
Muller, Ada H., New York  
Murray, A. Gordon, New York  
Mussey, Henry Raymond, Croton-on-Hudson, N. Y.  
Mussey, Mabel H. B., Croton-on-Hudson, N. Y.  
McDonald, James G., Bloomington, Ind.  
McKinley, Margaret, New York  
McNally, Joseph T., Albany, N. Y.  
Nairne, Bessie D., Brooklyn, N. Y.  
Nasmyth, George, Boston, Mass.  
Nichols, John W. T., New York  
Noel, John V., New York  
Nolan, James J., Brooklyn, N. Y.  
O'Mara, John E., Sacramento, Cal.  
O'Reilly, G. A., New York  
O'Reilly, Mary Boyle, New York  
Overstreet, Harry Allen, New York  
Parker, Andrew D., New York

Parker, William C., New Bedford, Mass.  
Parsons, Samuel, Cohoes, N. Y.  
Peck, Annie S., New York  
Pennington, Joseph P., New York  
Pergler, Charles, New York  
Pezet, F. A., New York  
Philbrook, Mary, Newark, N. J.  
Pickard, Edward T., New York  
Plimpton, George A., New York  
de Polignac, Marquis, New York  
Pratt, Nathaniel M., New York  
Prince, Julius, New York  
Prince, Theodore, New York  
Ratcliffe, S. K., Manchester, England  
Riggs, Karrick, New York  
Ritter, Paul, Washington, D. C.  
Roberts, George E., New York  
Rogers, John Jacob, Washington, D. C.  
Rook, C. A., Pittsburgh, Pa.  
Rooseboom, M. P., The Hague, Holland  
Rowe, Leo S., Philadelphia, Pa.  
Rumely, Edward C., New York  
Samuel, Samuel, New York  
Samuel, Mrs. Samuel, New York  
von Schrader, A., New York  
Schwartzman, Fanny, New York  
Schuyler, Livingston R., New York  
Seager, Henry R., New York  
Seaver, William N., New York  
Sedgwick, Ellery, Boston, Mass.  
Sevasly, Miran, Boston, Mass.  
Shatzky, B. E., New York  
Shaw, Albert, New York  
Shepherd, William R., New York  
Shepherd, Mrs. William R., New York  
Simon, Leon C., New Orleans, La.  
Sioris, P. A., New York  
Sleicher, John A., New York

Slosson, Edwin E., New York  
Smith, J. Russell, Philadelphia, Pa.  
Snow, Alpheus H., Washington, D. C.  
Soo, Ma, New York  
Spencer, Charles Worthen, Reno, Nevada  
Sterne, L. H., New York  
Stevenson, E. L., New York  
Storey, Moorfield, Boston, Mass.  
Stowell, Agnes, Brooklyn, N. Y.  
Straus, Oscar S., New York  
Sutton, Charles W., New York  
St. John, F. C., Richmond Hill, N. Y.  
Takamine, Jokichi, New York  
Tatanis, Petros P., New York  
Taussig, Mrs. Frederick J., St. Louis, Mo.  
Theophilatos, D. J., New York  
Thomson, G. F., New York  
Tomkins, Calvin, New York  
Tomlinson, B. G., New York  
Tryon, James L., Portland, Maine  
Tucker, Henry St. George, Lexington, Va.  
Turner, Kate E., Brooklyn, N. Y.  
Van Winkle, Mina C., Newark, N. J.  
Villard, Oswald Garrison, New York  
Vintschger, G., New York  
Wald, Lillian D., New York  
Walling, William English, Greenwich, Conn.  
Warbasse, Mrs. James P., New York  
Waring, T. R., Charleston, S. C.  
Weil, Lucille, New York  
Whitelock, George, Baltimore, Md.  
Whitney, Travis H., New York  
Wicker, Cyrus F., New York  
Willets, Elmore A., Belmont, N. Y.  
Wilson, George G., Cambridge, Mass.  
Wood, Henry A. Wise, New York  
Youmans, George F., Fort Smith, Ark.  
Zavala, Joaquim Cuadia, Washington, D. C.



## PROGRAM

### FIRST SESSION

Hotel Nassau, Long Beach, N. Y.

Monday Evening, May 28, 8:30 o'clock

Presiding Officer

*Samuel McCune Lindsay*

1. Address of Welcome  
*Nicholas Murray Butler*
2. The Future of International Law  
*Charles Evans Hughes*

### SECOND SESSION

Hotel Nassau, Long Beach, N. Y.

Tuesday Morning, May 29, 10 o'clock

#### THE NEED OF BETTER MACHINERY FOR INTERNATIONAL NEGOTIATIONS

Presiding Officer

*Oscar S. Straus*

1. Open Diplomacy: Democratic Control of Diplomatic Negotiations  
*Domicio da Gama*  
*Arthur Bullard*
  2. Effect of Censorship in International Relations  
*Frederick Roy Martin*  
*John Temple Graves*  
*Henry A. Wise Wood*
- Discussion: *Paul U. Kellogg*  
General Discussion

## THIRD SESSION

Hotel Nassau, Long Beach, N. Y.

Tuesday Afternoon, 2:30 o'clock

THE ATTITUDE OF THE UNITED STATES TOWARDS WORLD  
ORGANIZATION

Presiding Officer

*James Byrne*

## 1. International Arbitration

*John Bassett Moore*

## 2. A World Court

*William I. Hull*

## 3. International Legislation and Administration

*Alpheus H. Snow*Discussion: *Felix Adler, Samuel T. Dutton, Lillian D. Wald*

General Discussion

## FOURTH SESSION

Hotel Nassau, Long Beach, N. Y.

Tuesday Evening, May 29, 8:30 o'clock

THE DEMOCRATIC IDEAL IN INTERNATIONAL RELATIONS:  
WHAT THE UNITED STATES STANDS FOR

Presiding Officer

*George Whitelock*Addresses by *Hamilton Holt, Bainbridge Colby, Lincoln Colcord, B. E. Schatzky*

## FIFTH SESSION

Hotel Nassau, Long Beach, N. Y.

Wednesday Morning, May 30, 10 o'clock

## THE UNITED STATES AND THE CARIBBEAN

Presiding Officer

*Irving T. Bush*1. Commercial and Financial Interests of the United States in  
the Caribbean*Edwin Borchard*

2. The Attitude of the United States toward the Retention by European Nations of Colonies in and Around the Caribbean

*William R. Shepherd*

3. The Relations of the United States to the Republics In and Around the Caribbean

*Oswald G. Villard*

*Philip Marshall Brown*

Discussion: *Albert Bushnell Hart, Cyrus F. Wicker*

General Discussion

### SIXTH SESSION

Hotel Nassau, Long Beach, N. Y.

Wednesday Afternoon, May 30, 2:30 o'clock

#### DRAWING TOGETHER THE AMERICAS

Presiding Officer

*Samuel McCune Lindsay*

1. Commercial and Financial Facilities

*Roger W. Babson*

*James Carson*

2. Intellectual and Social Co-operation

*Leo S. Rowe*

Discussion: *Peter H. Goldsmith, Isaiah Bowman*

General Discussion

### SEVENTH SESSION

Hotel Nassau, Long Beach, N. Y.

Wednesday Evening, May 30, 8:30 o'clock

#### THE FUTURE RELATIONS OF THE UNITED STATES WITH LATIN AMERICA

Presiding Officer

*Albert Shaw*

1. From the Latin-American Viewpoint

*Federico A. Pezet*

2. The Monroe Doctrine After the War

*George G. Wilson*

3. Pan-Americanism as a Working Program

*Alejandro Alvarez*

## EIGHTH SESSION

Hotel Nassau, Long Beach, N. Y.

Thursday Morning, May 31, 10 o'clock

NATIONAL POLICY AS TO RESIDENT ALIENS: STATES RIGHTS  
AND TREATY OBLIGATIONS

Presiding Officer

*William R. Shepherd*

1. State Interference with the Enforcement of Treaties

*James Parker Hall**Charles C. Hyde*

2. Discrimination with Reference to Citizenship and Land-ownership

*Toyokichi Iyenaga**Hans von Kaltenborn*Discussion: *Sidney Gulick*

General Discussion

## NINTH SESSION

Hotel Nassau, Long Beach, N. Y.

Thursday Afternoon, May 31, 2:30 o'clock

NEWER AMERICAN CONCEPTS OF INTERNATIONAL  
RELATIONSHIP

Presiding Officer

*Henry R. Seager*

1. Labor as a Factor in International Adjustments

*Meyer London**Jane Addams*

2. Suppressed Nationalities and the Consent of the Governed

*Francis Hackett*

3. Liberal England and International Relationships

*S. K. Ratcliffe*

4. Annexation and the Principle of Nationality

*Stephen P. Duggan*

5. Economic Access and Neutralization of Waterways

*J. Russell Smith*Discussion: *William English Walling, Charles Pergler*

General Discussion

## TENTH SESSION

Hotel Nassau, Long Beach, N. Y.

Thursday Evening, May 31, 8:30 o'clock

THE UNITED STATES AND THE FAR EAST

Presiding Officer

*Samuel McCune Lindsay*

1. The New China  
*Wellington Koo*
  2. American and Japanese Co-operation  
*Tokichi Takamine*
  3. Neglected Realities in the Far East  
*H. R. Mussey*
- General Discussion

## ELEVENTH SESSION

Chamber of Commerce, New York

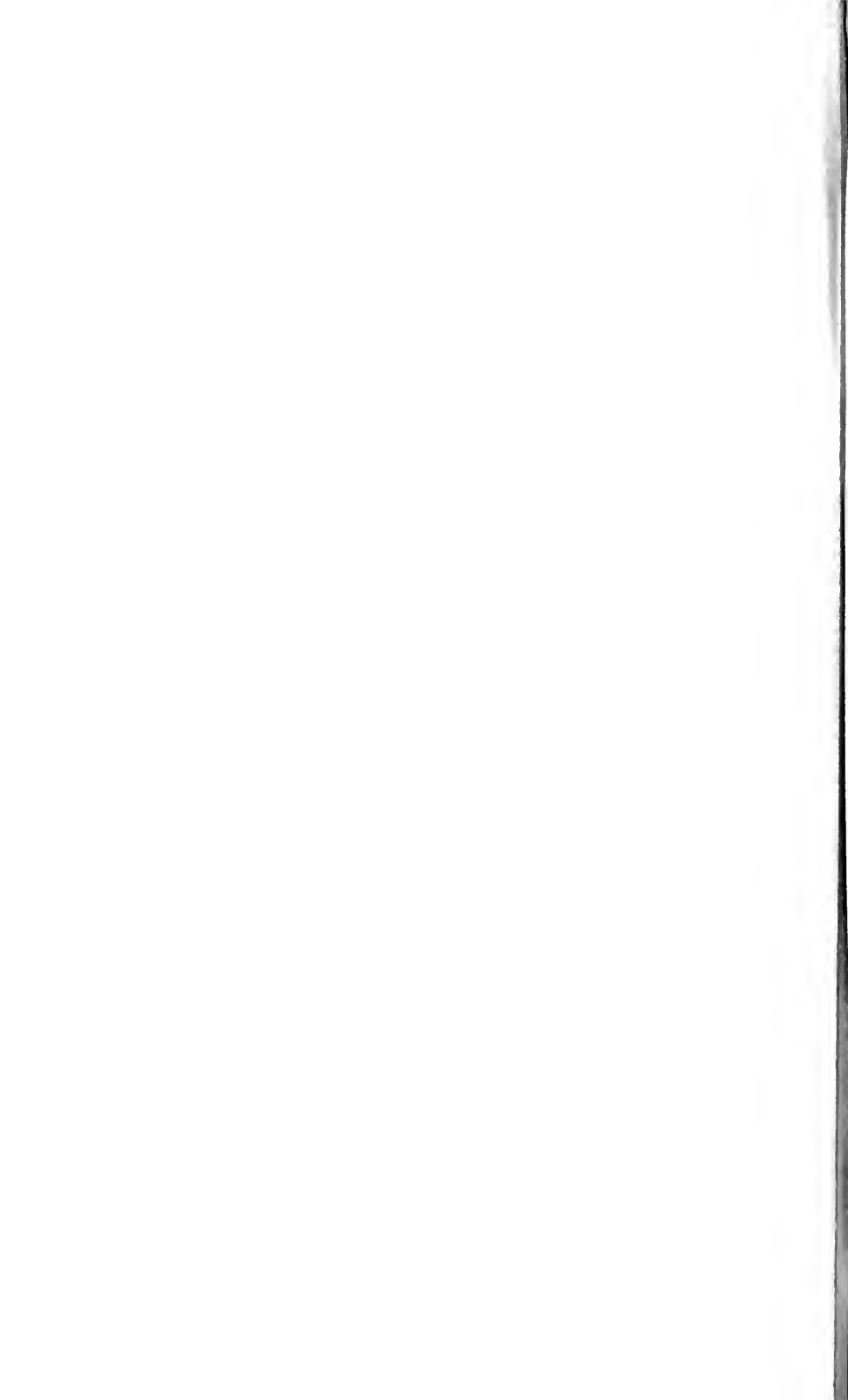
Friday Morning, June 1, 10:30 o'clock

PROPERTY RIGHTS AND TRADE RIVALRIES AS FACTORS IN  
INTERNATIONAL COMPLICATIONS WITH SPECIAL REFER-  
ENCE TO INVESTMENTS AND CONCESSIONS

Presiding Officer

*Simcon E. Baldwin*

1. Dollar Diplomacy and Imperialism  
*Frederic C. Howe*
  2. Trade Concessions, Investments, Conflict and Policy in the  
Far East  
*Stanley K. Hornbeck*
  3. The Relation of Government to Property and Enterprise in  
the Americas  
*Charles W. Sutton*
  4. International Investments  
*George E. Roberts*
- Discussion: *H. A. Overstreet*



THE DEMOCRATIC IDEAL

IN

WORLD ORGANIZATION

I. THE CONTENT OF THE DEMOCRATIC IDEAL

II. MACHINERY ESSENTIAL FOR DEMOCRATIC ORGANIZATION





## THE FUTURE OF INTERNATIONAL LAW<sup>1</sup>

CHARLES E. HUGHES

Former Justice of the Supreme Court of the United States

THE chief concern of the world at this time is to establish the foundations of international justice. If the world is to be made safe for democracy, it must be a world in which the nations recognize and maintain the supremacy of law. We had thought that we had entered upon a period which was to have as its chief distinction the development of international law, but this war is in truth the negation of all law. No principle has been spared. Force derides treaties; dethrones law in the interest of expediency; and defying God and man, resorts to unspeakable barbarities which mock the boasts of civilization.

What is the prospect? Are we to have a Roman peace—a peace imposed by a dominating state, rising over all, a new empire in which the only law shall be its will? Or is there to be a chance for a world where each state, small and great, shall stand secure in its equality, its independence, its integrity; where compacts between nations are not illusory; where mutual rights and duties are acknowledged and respected; where rules for international intercourse and instrumentalities for the peaceful settlement of international controversies are developed and maintained; where Force becomes the servant of the Law and not its master? This is the vital issue.

America's entrance into the war should assure the answer to these questions. We have responded to the call of civilization, of humanity itself, when, as has well been said, "the whole future of civilized government and intercourse, in particular the fortunes and faith of democracy, have been brought

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 28, 1917.

into peril." And if we have opportunity to resume the construction of the temple of international justice, to build again amid the ruins of past labors, what shall be the method of the undertaking? What shall be our share in it?

The calling of this conference to consider this question is evidence that we do not yield to the counsel of despair which would find in the circumstances of the outbreak and of the conduct of this war, the proof of the futility of all endeavor to establish the reign of law. We cannot thus be faithless to our ideals; we cannot thus surrender our trust. Nor, on the other hand, do we make the equal blunder of assuming that there will be such a reaction from the present strife that forthwith an adequate world organization will be easily and immediately accomplished, and peace forever assured. We expect to succeed in this war; but we must not expect that at its conclusion divisive forces will cease to operate, nor can we afford to deceive ourselves with paper programs of a utopian character, ignoring the difficulties which are sure to arise from the conflicts of national interests and policies. We may cherish an aim; and knowing the direction, we take counsel as to the practicable forward steps. The shattering of past hopes should be an incentive to renewed endeavor, while it must always remain a warning against an easy optimism.

The questions which relate to the method of advance may be said to concern: (1) the declaration of principles and formulation of rules through international conferences; (2) the establishment of suitable instrumentalities of adjudication and conciliation; and (3) the sanction of international law, including the questions which concern the enforcement of the judgments of international tribunals, or the use of force to maintain peace.

The fundamental need is the development of a true body of international law. The labors of jurists will continue to be helpful, and effort will still be made to extract from history, from diplomatic correspondence and official papers, from decisions of courts and from standard writers, the evidence of the consent of the nations upon which the rules governing international conduct depend for their authority. But it has

long been evident that this method of development is most unsatisfactory. What rules of controlling importance, determinative of serious controversies, can be said to be generally accepted? It seems to be agreed that the most earnest efforts should be made to secure an authoritative and appropriately definite statement of accepted principles, and the formulation of rules to which assent is given, as well as to provide means for such additions and modifications as may from time to time be required.

This is the function of the international conference. As was said by M. Léon Bourgeois, with respect to the Hague Conferences:

The purpose of the Hague Conference is the juridical organization of international life, the formation of a society of law among the nations. In order that this society may come into being and live, the following conditions are essential: (1) The universal assent of the nations to the establishment of a truly international system; (2) the acceptance by all of the same conception of the law common to all, of the same bond between the large and the small, since they are all equal in point of consent and responsibility; (3) the precise and detailed application of these principles successively to all fields of international relations in peace as well as in war.

The importance of the development of a body of law in this authoritative way must not be overlooked in zealous endeavor to provide for the judicial determination of international disputes. Courts presuppose laws. They develop the law in the course of judicial decisions, by creating a series of judicial precedents, but they must proceed upon premises and apply established principles. As Mr. Root has pointedly remarked:

Any attempt to maintain a court of international justice must fail unless there are laws for the court to administer. Without them the so-called court would be merely a group of men seeking to impose their personal opinions upon the states coming before them. The lack of an adequate system of law to be applied has been the chief obstacle to the development of a system of judicial settlement of international disputes.

And he illustrates this by reference to the failure to establish the international prize court, for which provision was made by the Second Hague Conference, in consequence of the failure to ratify the Declaration of London and thus to supply a general agreement as to the applicable rules, in the absence of which "the necessary basis" for the action of the court was wanting.

Perhaps it may be assumed that at the close of the war, and upon the settlement of the terms of peace, prompt arrangements will be made for a conference of the nations. And it would be a happy omen for the future if such a conference were to adopt the Declaration of the Rights and Duties of Nations which has recently been formulated by the American Institute of International Law. But this would be only a beginning, albeit an important one, in the formal statement of principles and rules. The matter of chief consequence is not that this or any particular conference should be held, but that the international conference should be recognized as an institution, as the essential organ of international expression in stating and developing international law.

Not only should there be conferences at fixed intervals, but provision should be made for the important work pending conferences by which their labors will be facilitated and directed. I should refuse, with Sir Frederick Pollock, to take too seriously what he calls the "abundance of starched and frilled ceremonial and elaborate compliments about trifles," and I agree with him as to the importance, if the conference is to be a permanent institution of value, of "a strong standing committee to prepare and guide the business." Further, I should say that the conference is not likely to achieve its end unless all the important nations, certainly all the great powers, are admitted to take part in its deliberations. We are assuming a peace that makes possible the development of a true body of law, and in this work all the formative influences should have their proper share. But I agree that if not all the great powers are willing to unite in this work, those who are willing should proceed with conferences of their own.

Still, the obstacles are very great. The members of the conferences are states, and must act as such, and even the ceremonial and compliments cannot be ignored. The perfect equality of states is a postulate of international law. As Chief Justice Marshall said: "It results from this equality, that no one can rightfully impose a rule on another. Each legislates for itself, but its legislation can operate on itself alone." The conference is not a parliament; it is not, and in the nature of things cannot be, a legislature. There is no Administration, there is no Government, having the carriage of bills, there is no closure, and there are no majorities. Its action, as such, binds the states which give the formal assent contemplated. The growth of international law under such conditions must necessarily be slow, and must be accompanied by the regrettable failure of many admirable proposals. But the necessity of providing rules to meet the many new exigencies which have arisen and will arise, as well as of settling old controversies which leave rules in doubt, and of thus evidencing the consent of the nations, makes the international conference in regular sessions with provisions for the required supplemental and preliminary work between sessions a primary need. The problem is to devise such an organization of the conference, consistent with its nature as a conference of states, as will promote the highest efficiency.

If we can provide means for the development of the requisite body of law, we may look to the establishment of an international court of justice, as distinguished from plans for the settlement of international disputes through arbitration. We desire to establish international justice, not merely facilities for compromise or diplomatic adjustment. We wish a court of judges, acting in accordance with judicial standards, applying impartially the principles of law, interpreting treaties, conventions and declarations, and thus developing a body of judicial precedents to supplement and complete the work of international conferences, instead of mere arbitrators embracing those who may have been chosen to represent one side or the other. International arbitration may be adapted to many exigencies, and judicial settlements—great as are their advant-

ages—will not, and should not, altogether displace settlement by arbitration. But we shall not be able to perfect international law without international courts, for all legislation and formulated statements of the law need the aid of the judicial interpreter.

Here, again, we encounter the most serious obstacles which we must not overlook in an eager acceptance of the principle of judicial settlement. The analogy found in the work of the Supreme Court of the United States, in deciding controversies between the States of the Union, important as it is, is sometimes pressed too far. The Supreme Court is the organ of a nation. It is the judicial power of the United States with which the Supreme Court is vested, and which that court exercises in the determination of controversies between two or more States in accordance with the Constitution. The Supreme Court is not the court of a confederation, or of a mere league of states.<sup>1</sup> The States surrendered their own modes of determining controversies between them, and the decision of those controversies which are of a justiciable nature was transferred to the Supreme Court. The limits of this address do not permit a discussion of the manner of enforcement of such judgments, but it is sufficient for the present purpose to point out that there is behind its judgments the force of national authority.<sup>2</sup> And what is of first importance in connection with this jurisdiction, is the fact that the court draws to its support the great power of national sentiment.

Again, the Chief Justice and Associate Justices of the Supreme Court of the United States are nominated by the President, the chosen representative of the people of the United States, who is vested with the executive power of the nation, and they are appointed by the President by and with the advice and consent of the Senate. There is thus assured, as history shows, a fair representation of the entire country and of all its parts in this highest tribunal. The judges of the court are chosen to serve during good behavior and to receive

<sup>1</sup> See *Kansas v. Colorado*, 206 U. S., pp. 80-84.

<sup>2</sup> See *South Dakota v. North Carolina*, 192 U. S., pp. 318-322.

a compensation which cannot be diminished during their continuance in office. This method of selection, and this provision of independence, gives peculiar strength to the court in the exercise of its jurisdiction to determine controversies between the States. Further, it may be said that the entrenchment of the Supreme Court in the confidence of the people is yet more largely due to the quality of its work than to anything else. We may hesitate to speculate upon what measure of success the court would have achieved without a Marshall and a Story, and such other eminent judges as Taney, Curtis, Miller, Field and Bradley.

The proposed international court cannot have the advantage of being the instrument of a nation or be supported by the sentiment that attaches to a national institution. It cannot have the advantage of the sense of representation which is felt by the people in the case of a national tribunal. And it will be long before an international court can develop that measure of confidence which only work of high quality on the part of its members can create.

The difficulties are serious, but they should make us only the more solicitous to take account of the means by which they may be surmounted. In the absence of the national sentiment which gives such effective support to our national tribunal, we must aim at the development of international sentiment. In the days of peace we must look to the cultivation of what President Butler has called the "international mind." Without this, we are likely to be disappointed in the results of international organization, however we labor over mere forms of institutions. Again, while an international court cannot start with a confidence created by work already performed, there is no reason why it should not have the advantage, and in all probability it would enjoy the advantage, of the labors of jurists of the highest international distinction whose demonstrated expertness would commend the work of the court in constantly increasing degree to the favor of the nations, and thus insure its permanence.

The action of the First Hague Conference in providing for a permanent international court of arbitration was an im-

portant although a short step in the desired direction. It was, however, "permanent only in one sense, and that was in the composition of the jurists from the list of whom the arbitrators or judges who were to act in each case as it arose should be selected by the parties;" and failing the direct agreement of the parties as to the composition of the arbitration tribunal, each party was to appoint two arbitrators, and these together were to choose an umpire. The "permanent court was really a list, or panel, of judges who might be chosen, if desired." The Second Hague Conference adopted a draft convention for the creation of a judicial arbitration court, but no agreement was reached as to the method of appointing judges. As Mr. Choate said, in his review of the work of that conference:

Well, there we hit upon an obstacle which there was no overcoming. We were forty-four nations assembled. . . . As there could not be a court of forty-four judges, and as Russia and Germany, Great Britain and France and the United States could not agree that every nation was as big as every other, as was claimed by some of these small nations—that Panama was in all respects the equal of Great Britain, and Luxemburg the equal of Germany—no agreement was reached. It was therefore voted that there ought to be such a court; that the scheme that we had established for its powers, procedure and organization, its sessions and the general theory or law that should be applied to it, was accepted; and it was referred to the nations to agree, in the best manner they could, upon the number of judges, and the mode of their selection, and that as soon as this was done, the court should be established with the constitution that we had framed for it.

I have already mentioned the failure, for the lack of a suitable body of law, to set up the international prize court.

Efforts should be addressed, on the conclusion of peace, to the removal of difficulties of this sort and to the establishment at the earliest possible day of a true international court of justice for the decision of justiciable questions; and giving due weight to the differences to which I have called attention, there can be no doubt that the example of the Supreme Court of the United States, and also of the Judicial Committee of the Privy Council, will be of the greatest aid in this endeavor.



The court thus constituted will naturally determine questions of its own jurisdiction under the provisions for its constitution. It may be assumed that it will not undertake to determine controversies which are merely of a political nature and do not involve issues of a justiciable character, that is, which cannot be decided by the application of the principles of law and equity. And to repeat, in the establishment of such a court, regard should be had not to diplomatic or arbitral standards, but to the standards of judicial tribunals.

Thus far, I have been considering the means for developing international law, and for the interpretation and application of rules of law. But the purposes, when this war is ended, will reach beyond the function of law, and the aim will be, in every practicable way, to provide safeguards against the recurrence of war. This suggests the advisability of establishing international instrumentalities of conciliation which can deal with questions not justiciable in character, and can make recommendations in the interests of peaceful settlement. The function of such a council would be not decision, but suggestion and advice. Its recommendations, in the nature of things, would not be binding. The nations would still be free to act according to their own view of national policy, but the provision of this instrumentality would facilitate reflection, discussion and persuasion in dealing with that large class of questions which are the most frequent occasion of strife.

There remains the question whether it is practicable to provide a more definite sanction for international law—whether its rules shall impose obligations backed by force; or speaking more specifically, whether there shall be a concert to compel resort to tribunals of adjudication and councils of conciliation before beginning hostilities.

It has been urged strongly that "the only practical sanction of international law is the public opinion of the civilized world." This public opinion, it is eloquently said, is the international executive. Prophecies with respect to the sufficiency of this sanction of public opinion carried greater weight three years ago than they do today. Not only the unex-

pected, but the unthinkable, has actually happened. Agencies of public opinion throughout the world, the manifold activities of the defenders of peace, the manifest interests of intimate intercourse and expanding civilization, the obviousness of the economic losses involved in war, the wide diffusion of knowledge, and the quickening of conscience by myriad appeals—all failed to avert a world war. It is not surprising that men here and abroad should be thinking of some practicable means which in the future may help, at least in some degree, to prevent the recurrence of such a catastrophe. It may also be said that as against the disposition to break treaties, to override the law, and to enthrone force as its own justification, there is revealed a new determination to establish the sacredness of compact and the obligation which the law imposes. Shall the public opinion which makes for the reign of law and the maintenance of peace fail through lack of competent organization?

Proposals have been made both in England and in this country looking to such an organization. The substance of the proposal, as it stands in this country, is that

the signatory powers shall jointly use, forthwith, their economic forces against any of their number that refuses to submit any question which arises to an international judicial tribunal or council of conciliation before issuing an ultimatum or threatening war. They shall follow this by the joint use of their military forces against that nation if it actually proceeds to make war or invades another's territory.

This proposal has been the subject of vigorous debate. It has, however, drawn to its support a considerable body of opinion because of the well-founded belief that something must be attempted in the way of international organization to safeguard rights granted by treaties and conventions, to make effective the rules of international law, and, so far as possible, to prevent acts of aggression.

In considering the part which the United States should take in connection with the development of international law, and in the endeavor to provide a more adequate and definite sanction

for that law, the question should be approached as a practical one, and with due regard to our national interests and policies. It is not to be dismissed without proper attention to the conditions which are likely to obtain when this war has ended.

If we are to have international conferences, to declare principles and to make rules binding upon the nations, the United States will undoubtedly take part in these conferences. It had a highly important part in the two Hague Conferences, and can be counted upon to do its full share in the development of a true body of international law based upon the acceptance of such fundamental principles as are incorporated in the recent Declaration of the American Institute.

Further, the United States will undoubtedly use its utmost endeavor to bring about the establishment of a real court of international justice. The entering into an agreement for the submission of justiciable controversies to such a court cannot be said to be an improper delegation of power. Whatever differences of opinion there may be with respect to policy, it would be difficult to point out a satisfactory distinction in principle between such a submission and the more familiar one of submission to arbitrators. And so far as the proposed instrumentality of conciliation is concerned, with regard to questions that are not of a justiciable nature, each nation may be expected to reserve the right to deal with the issue ultimately as it pleases. Certainly it would seem that those who have supported the recent treaties of arbitration, such for example as that ratified in the year 1914 between the United States and Great Britain, would be unable consistently to object to a provision for an instrumentality of conciliation as an aid to peaceful settlement.

Moreover, if the United States participates in international conferences, if it aids in establishing tribunals of adjudication and councils of conciliation, it will have occasion very carefully to consider whether proposals which would otherwise be successful in making treaties and conventions effective shall fail because of its refusal to co-operate.

I hope that our statesmen will keep an open mind upon this question and will not so far commit themselves in advance that

they will be embarrassed in dealing with the conditions which may obtain after the war, so that the United States without prejudice to its essential interests may do its full share in firmly establishing the foundations of international justice.

Objections have been raised both upon constitutional grounds and upon reasons of policy, with respect to our joining in a concert looking to the use of force in any contingency. As to the former, it may be said that Congress alone has the power to declare war, and that any agreement made by the United States to co-operate in coercive measures amounting to war would necessarily be subject to the exercise by Congress of its unquestioned authority. But this does not mean that the treaty-making power may not, if it is found to accord with national interests and policies, aid in forming an international organization believed to be necessary and practicable, although its offer of co-operation in any given contingency must be subject to the well-known conditions which inhere in our constitutional form of government. Congress, indeed, will have all its powers, but its course of action will depend upon the world outlook of the nation, and we should do what we can to promote an enlightened conception of our international responsibility.

There should be no disposition to minimize the difficulties which are connected with our traditional policy, or the importance of that policy in conserving American interests. It is idle, I believe, to expect that in any conceivable arrangement at the conclusion of this war, this country will abandon the Monroe Doctrine. I shall not attempt at this time to inquire as to the effect of the broad treaties of arbitration which have recently been made, or as to the question whether in all their aspects, and with reference to every possible contingency, they can receive the approval of our judgment. Aside from this, it may well be thought futile to demand a program which would involve an abandonment of what has long been regarded as a fundamental part of our national policy. Nor is this, in my judgment, to be considered a condition essential to our effective participation in an international organization to establish international law and maintain peace.

At the conclusion of the war, it may be assumed that there will be an agreement upon principles which will precede or form the basis for such an organization. The Monroe Doctrine, as has well been said, "is a national policy that has come to be widely recognized and in large part accepted by European nations." It has been pointed out that while "it is not a part of international law, it might easily become so in the working out of an international order." Is it too much to expect that our historic policy, in its essential features, should be accepted by the nations? And may we not contemplate the working out of plans for an international organization in the belief that this acceptance will in itself conduce to the peace of the world while facilitating our co-operation in its maintenance?

Should we not at least postpone judgment until we know the conditions upon which we may co-operate, and shall we not at least be hospitable to the thought that America has its obligations to the world? We cannot live unto ourselves. What promise does the future hold if treaties and conventions are made only to be broken? If we can see at all into the future we know that it offers no chance for isolation to the United States. We have vast resources and extraordinary privileges and we cannot shirk our duty to mankind. Self-interest as well as a proper sense of obligation demand that we should aid in rearing the structure of international justice, and certainly that we should not make its establishment impossible by holding aloof.

## THE INTERNATIONAL MIND: HOW TO DEVELOP IT<sup>1</sup>

NICHOLAS MURRAY BUTLER

President, Columbia University

FOR two generations it has been a common complaint that the people of the United States took no adequate interest in foreign policy and were without any but cursory knowledge of international politics. This judgment has been expressed, often publicly, by successive secretaries of state, by those who have held important diplomatic posts, and by those who, in the Senate of the United States, have seen long service upon the Committee on Foreign Relations. A sort of national self-centeredness together with a feeling of geographic and political isolation have combined to bring about this unfortunate state of affairs. It has been unfortunate for two reasons: first, because it marked a serious break with our earlier national tradition; and second, because it has held back the people and the government of the United States from making the full measure of contribution of which they were capable to the better and closer international organization of the world.

One need have but slight acquaintance with the writings and speeches of the Fathers and with the records of the early Congresses to know that, when the government of the United States was young, it was the eager ambition of those who most fully represented it to play a large part in the international life of the world, primarily with the view of advancing those ideas and those principles in which the people of the new American republic believed and to which they were committed. Benjamin Franklin was our first great internationalist. Alexander Hamilton, of whom Talleyrand said that he had divined Europe; Thomas Jefferson, whose public service in Europe was

<sup>1</sup> Introductory Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 28, 1917.

quite exceptional; as well as Chancellor Livingston, John Jay, Charles Cotesworth Pinckney, John Quincy Adams and Henry Clay not only knew western Europe, but were known by it. In making endeavor, therefore, to increase the interest of the American people in foreign relationships and in international policy we are but asking them to return to one of the finest and soundest of national traditions.

Our national self-absorption has held us back, too, from playing an adequate part in the development of that international organization which has long been under way and which the results of the present war will hasten and greatly advance. Despite these facts, and chiefly because of the high character and ability of those who represented the United States at the two Hague Conferences of 1899 and 1907, the American contributions to the deliberations and recommendations of those notable assemblies were most important. Indeed, when the record of history comes to be made up, it may be that those contributions will be judged to mark the beginning of a new epoch in the world's history.

The Conference which now assembles to consider and discuss the international relations and the international policies of the United States is a beginning and only a beginning of a campaign of education and enlightenment which is to continue until there has been developed among all parts and sections of our land what I ventured some years ago to describe as the "international mind." The international mind is nothing else than that habit of thinking of foreign relations and business, and that habit of dealing with them, which regards the several nations of the civilized world as free and co-operating equals in aiding the progress of civilization, in developing commerce and industry, and in spreading enlightenment and culture throughout the world. It would be as inconsistent with the international mind to attempt to steal some other nation's territory or to do that nation an unprovoked injury or damage, as it would be inconsistent with the principles of ordinary morality to attempt to steal some other individual's purse or to commit an unprovoked assault upon him. The international mind requires that a nation and its government shall freely

and gladly grant to every other nation and to every other government the rights and the privileges which it claims for itself. From this it follows that the international mind is not consonant with any theory of the state which regards the state as superior to the rules and restrictions of moral conduct or which admits the view that to some one state is committed the hegemony of the world's affairs for the world's good. When that doctrine prevails and takes hold of the conviction and the imagination of a great people, an issue is presented that cannot be settled by vote in conference, that cannot be arbitrated by the wisest statesmen, and that cannot be determined by the findings of any court. The authority and the value of each of these modes of procedure is challenged by the very issue itself. Therefore resort must be had to armed force in order to determine whether the international mind, shared by a score or more of independent and self-respecting nations, shall prevail or whether the arms of a non-moral, all-powerful, military imperialism shall be stretched out over the whole round world for its government and its protection. It is to determine this issue that the world is now at war.

Should the cause of imperialism, by any chance, win this war, the people of the United States would find it quite unnecessary for some time to come to concern themselves with foreign relations and with foreign policy. Those matters would be taken care of for them, by a power that had shown itself strong enough to overcome and to suppress internationally minded men and nations. On the other hand, if, as we confidently hope and believe, the issue of this war is to be favorable to the free self-governing democracies of the world, then the people of the United States must address themselves with redoubled energy and with closest attention to those matters of legislation, of administration, and of general public policy which constitute and determine national conduct. The first task of this conference and of every similar conference that may be held hereafter is to drive this lesson home.

When this task is undertaken it will speedily appear that our government is not well organized at the moment for the formulation and prosecution of effective international policies. The



division of authority between the national government and governments of the several states raises one set of problems. Action under the treaty-making power of the national government raises another set of problems, particularly since there is not yet a substantial unanimity of opinion as to the scope and authority of the treaty-making power itself, or as to the proper and effective means which should be at the command of the government of the United States for enforcing among its own people adherence to a treaty obligation into which, through their government, they have solemnly entered. The difficulties with which we shall have to contend are, therefore, not alone difficulties arising from present lack of popular information and present lack of popular interest in international policies, but they are also those which arise from the structure and the operation of our own form of constitutional government.

That the old secrecy of diplomatic action has gone forever is a happy circumstance. This secrecy was well suited to the making of conventions between ruling monarchs or reigning dynasties, or between governments which represented only very select and highly privileged classes. It has no place, however, in diplomatic intercourse between democratic peoples. The people themselves must understand and assent to international policies and contracts that are entered upon and executed in their name. Otherwise there can be no assurance that these policies will be executed and these contracts observed; for without foreknowledge on the part of the people of that to which they are committed there can be no successful moral appeal made to them to keep their word and their bond at a later time when an opposition may arise between principle and immediate self-interest.

We are assembled, then, to help begin a movement which must not cease until the entire American people are interested in their international relationships, their international position, and their international influence. When that shall have been even measurably accomplished, the people themselves will be quick to bring about such changes in the form of their governmental structure and in their administrative procedure, as

will enable them honorably and finely to maintain their place, not as a nation that lives to itself alone, but as a nation that shares with every other like-minded nation the desire and the purpose to improve the lot of mankind everywhere, and to carry into the uttermost parts of the earth those hopes, those principles, and those forms of governmental action that are best adapted to giving man the fullest opportunity to make himself free, and to be worthy of freedom.

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# INTERNATIONAL ARBITRATION <sup>1</sup>

JOHN BASSETT MOORE

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THE subject on which I am to speak is by no means new. For that reason I suppose it ought to be regarded as very uninteresting.

I may at once say that I am not acquainted with, and hardly feel capable of formulating, any special device which will certainly assure the preservation of peace among nations.

There are certain methods of settling international disputes, which are known as amicable methods, as distinguished from inamicable and forcible methods. The amicable methods are negotiation, mediation and good offices, which I mention together, and arbitration.

Negotiation is simply the ordinary method of diplomacy.

Mediation stands midway between negotiation and arbitration, and in connection with it I mentioned good offices. We speak of good offices where some third power or powers come between disputants, listen to their complaints, and make suggestions and tender advice.

Mediation is the formal exercise of good offices. Sometimes a tribunal is organized which proceeds with much formality, but, whatever the procedure may be, mediation results in a recommendation which the parties to the dispute are at liberty to reject.

The third method, that of arbitration, represents the judicial process of settling international disputes. When I say the judicial process, I am not at all unconscious of the fact that we hear a great deal in these days of the "judicial settlement" of international disputes, as if it were something entirely novel. It is said that heretofore we have had arbitration,

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

but that arbitration has failed, and that now we are to have the "judicial settlement" of international disputes.

Such statements illustrate the propensity to accept phrases rather than to search for facts. I fancy that the number of those who have had occasion actually to read the decisions of international boards of arbitration is small. There may indeed be members of the bar who read the decisions of judges for mere pleasure. But, after all, I fancy that we do most of our reading of judicial opinions professionally, more or less under the stress of professional necessity.

Now, it has fallen to my lot, in the pursuit of my professional work, to have read practically all the decisions that have ever been rendered by international tribunals, and there are some thousands of them. In fact, I was once so unkind, perhaps I might almost say so cruel, as to inflict them upon my fellow-men by incorporating them in some six large volumes, which should have been printed in twelve instead of six, because the present volumes are too large for the reader's convenience. When, therefore, I venture, very diffidently, to make a statement in regard to the proceedings of international tribunals, I feel that I know the ground on which I stand; and I venture to assert that the decisions of those international tribunals are characterized by about as much consistency, by about as close an application of principles of law, and by perhaps as marked a tendency on the part of one tribunal to quote the authority of tribunals that preceded it, as you will find in the proceedings of our ordinary judicial tribunals. One cannot study these records without being deeply impressed with that fact, and without discovering how lacking in foundation is the supposition that when we talk of the "judicial settlement" of international disputes we are presenting some new device or new method.

I have said that a tribunal of arbitration decides. Its proceedings result in the rendering of a judgment which is binding upon the contracting parties. It therefore can be employed where, in many cases, mediation would be ineffective. On the other hand, mediation may be employed in cases which the disputants would be unwilling to submit to a definitive

judgment. If I had the time in which to do it, I could point out numerous instances in which the judgments of tribunals of arbitration have been accepted by the parties and loyally carried out, although they imposed terms which it is inconceivable that the parties would have accepted upon the mere recommendation of a board of mediators. In other words, if there had been any loophole of escape, the parties would have availed themselves of it, but having agreed to submit the matter to judgment, and to abide by the award, they have done so, loyally and completely.

There is another misconception that I should be glad to correct, and that is that there has been great uncertainty in the enforcement of the judgments of tribunals of arbitration. Again I venture to affirm, upon the basis of actual information, that the awards of international boards of arbitration have been very generally accepted and carried into effect. I do not think I am mistaken when I say that if there has been a tendency during the last few years to question the accuracy and the binding effect of such awards, it has been due chiefly to the unfortunate supposition that no judgment should ever be regarded as final till it has been the subject of review on appeal. Lawyers are too much in the habit of thinking of judicial process as a series of appeals, till they finally get up to a tribunal beyond which nothing can be imagined. But, I venture to repeat that the cases have been few, very few indeed, in which the awards of international tribunals have not been accepted and loyally carried out.

I have said that international arbitration is not a new thing; and I will now go a step further and affirm that the judicial process which it has exemplified is one of which we must avail ourselves in dealing with all human affairs. Within the state it is inconceivable that we should be able to get on for a week or even for a day, with any approach to a condition of tranquillity, if we were to abolish the judicial process. We use negotiation, and we use mediation, all the while, in our private affairs as well as in our public affairs, but cases daily arise in which it is necessary to obtain an authoritative decision, and then we invoke the judicial process. We may therefore

accept it as absolutely certain, that, no matter what kind of a league, or alliance, or other contrivance may be set up in international affairs, we shall be obliged to invoke the process of arbitration, in the judicial sense.

Several years ago a scholar named Raeder published, under the auspices of the Nobel Institute, a very interesting work entitled *International Arbitration among the Greeks*. I have very often seen the statement that, while the Greeks practised what they called arbitration, it was not real arbitration, but something else. But, as a matter of fact, the Greeks had as clear, as intelligent, as precise a conception of the process of international arbitration, in the judicial sense, as exists today, as may be seen by an actual examination of the awards rendered by the tribunals employed by them for the determination of disputes between the different states.

Later, when the Roman Empire came into existence, with its conceptions of conquest and domination, there was little room for international arbitration; but, after the decline and fall of the Empire, the states that succeeded it employed the process on an extensive scale, especially under the influence of the Church. As a result, however, of the wars, somewhat miscalled "religious," of the sixteenth and seventeenth centuries—I say somewhat miscalled religious, because questions of property, politics and dominion were decidedly interwoven with questions of faith—international arbitration, being an amicable process, practically disappeared.

During the eighteenth century thoughts of arbitration began to revive; and, after the close of the Napoleonic Wars, when the world was worn out with fighting, nations not only talked a great deal about arbitration, but actually employed it on a very large scale, by the adoption of general claims conventions for the settlement of all outstanding questions. Under these conventions or treaties—the words being here interchangeable—all disputes that had arisen since a certain date were submitted, without exception, to the decision of arbitrators.

During the hundred years that followed the formation of the Constitution, the United States made numerous treaties of that kind; and I should say that the high-water mark of inter-

national arbitration, that is, of its actual application, was reached in the case of the award on the "Alabama" claims by the tribunal at Geneva in 1872. This was so, not only because of the nature and magnitude of the questions submitted, but also because, when the United States first proposed arbitration, the British government declined it, on the ground that the questions at issue involved the "honor" of Her Majesty's Government, of which, speaking in the approved phrase, it was declared that Her Majesty's Government was "the sole guardian." Of course every man and every nation is the "sole guardian" of his or its own "honor"—whatever that may be.

But, after thinking the matter over for six or eight years, eminent British statesmen came to the conclusion that perhaps a basis might be found on which this very grave dispute might be submitted to impartial and learned men, wise men, for judicial decision; and in the end there was made the great Treaty of Washington of May 8, 1871, by which it was provided that the claims generically known as the Alabama claims should be submitted to an arbitral tribunal, which was to sit at Geneva. As I look on my right, I have great pleasure in recognizing an eminent diplomatist, who is also a friend, whose government, that of Brazil, was called upon to appoint one of the five members of that exalted tribunal.

The proceedings resulted in the award of \$15,500,000 to the United States. This is one of the cases I had in mind when I said that arbitration might be used to obtain a settlement which mediation could not effect. For, if the tribunal had been one of mediation, and its members, being thus limited to the exercise of advisory powers, had only recommended the payment of the sum above mentioned, we may believe that the recommendation would have been rejected. We had not then entered the period of "trust" organization, when such sums seem trivial. On the contrary, the draft for the payment of the award was the largest that had ever been drawn, and it is hardly conceivable that, with the feeling then existing over some of the questions covered by the award, a mediatorial recommendation of the payment of \$15,500,000 would have been entertained for a moment.

After the close of the sessions of the Geneva Tribunal, there sprang up a world-wide agitation for the establishment of some general method by which disputes between nations might be referred to arbitration. The success of the Tribunal in peacefully disposing of differences of the gravest character between two great nations caused peoples to feel a certain confidence in the process; and the agitation to which the Geneva Arbitration gave rise may fairly be regarded as having directly contributed to the adoption of the Hague Convention of 1899, establishing what is called the Permanent Court at The Hague.

Great things were hoped for from the establishment of that court. But it was followed by a movement which was so conducted that its results were, as I am compelled to believe, altogether unfortunate. The Hague Convention of 1899, while it did not make arbitration obligatory upon the contracting parties, excepted nothing from the process. Consequently, it did not suggest to the contracting parties pretexts for avoiding arbitration if they should be disinclined to adopt it. It is related of a certain general, who pointed out to his troops a way by which they might escape, that, when the enemy appeared, they promptly took it. The Hague Convention of 1899 did not obstruct the highway with signposts pointing to avenues of escape, even if it did not profess to compel the traveler to follow the main road. But, there were those who thought we must have something in form obligatory, and in the end what they did was this: They made a so-called obligatory treaty which was very widely adopted afterward, because nobody could see any reason for not adopting it, especially if he did not want to arbitrate; a treaty by which it was provided that questions of a "judicial order," or relating to the interpretation of treaties, should be submitted to arbitration, provided they did not affect the "vital interests," the "independence," or the "honor" of the contracting powers, or "concern the interests of third powers."

Evidently, the substance of this treaty or convention is in the exceptions. Just what the fancied obligation embraces I have never been able to detect, even after a somewhat microscopic examination. Remember, the sweeping provisos above quoted



are limitations not upon the general obligation to arbitrate; they are limitations upon the agreement to submit only questions of a "judicial order;" and they then proceed to declare that even as to questions of a judicial order arbitration may properly be excluded. What, then, have we left?

Nor is this all. If we are to make any progress in the world, we must set up some sort of standard or ideal. Perhaps we may say that after all there are such things as general principles to which it is important to adhere, because, if we abandon them, we are left without any means of reckoning, and are reduced to a mere shifty opportunism. The Hague Convention of 1899, although not in terms obligatory, did not in effect declare that the contracting parties need not arbitrate any question which they regarded as serious or important. The so-called "obligatory" treaties, in expressly authorizing and justifying the contracting parties in excluding any question which they might be inclined, on grounds of interest or of feeling, to exclude, even though it should be of a "judicial order," discredited international arbitration as a practical measure and placed it among unreal things, which only visionaries would pursue. This lowering of the standards was not warranted by the facts.

I have but one more word to say. In discussing and estimating methods or devices, whether arbitral or otherwise, for the peaceful settlement of international disputes, we must never lose sight of human nature. There exists on the part of men in masses a tendency to endeavor to attain their ends by violence. We observe this tendency all through human history; and, bearing it in mind, and remembering that human dispositions change very slowly, we must watch our own thoughts and inclinations as well as those of other people. That great interpreter of the human heart, Robert Burns, admonishes us to keep an eye on our own defects, lest we become "o'er proud." Each people thinks itself not only peaceful, but much more peaceful than any other people. It is a matter of common knowledge that no nation in its own estimation ever wants to fight; it is always some other nation, perhaps even a very small and helpless one, that wants to go to war. The United

States, we are constantly told, has always longed to arbitrate everything; and this, in spite of the fact that George Bancroft supposed he was stating the truth, when, in opening the case of the United States in the arbitration of the San Juan Water Boundary, he said: "Six times the United States had received the offer of arbitration on their northwestern boundary, and six times had refused to refer a point where the importance was so great and the right so clear." And when at last the question was submitted to the German Emperor as arbitrator, we insisted upon and obtained a restricted submission, such as we had previously endeavored to secure. I mention this incident merely as an illustration of the truth of the poet's admonition, that, lest we become unduly self-satisfied, we should keep an eye upon ourselves as well as upon other people.

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## A WORLD COURT <sup>1</sup>

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YOU will recall the words of Wordsworth in speaking of the beginning of the French Revolution: "Bliss was it in those days to be alive, but to be young was very heaven." I feel very much like echoing his words in thus accepting the invitation of this Academy to speak on the subject which has been assigned to me. Bliss is it at any time to talk about the ideal of the world court, and in these days, when the clouds of war are obscuring the horizon of almost every land, it is very heaven to be permitted to discuss with such an assemblage as this the topic of the world court. For, in all seriousness, I believe that the chief present hope of humanity lies in further developing that arbitral process which Professor Moore has just so felicitously outlined for us, into a judicial settlement of international disputes so invariably resorted to and so just that the nations will indeed learn war no more.

President Wilson in his address to the United States Senate on the twenty-second of January, 1917, advocated the development of the international organization which was begun at the first Conference at The Hague in 1899. Ten weeks later the President led the United States into the Great War with the expressed purpose of assuring the development of that international organization.

The nucleus of the organization is the international conference which has thus far held two sessions; but the heart of that nucleus is the international court of arbitration. Agreed upon at The Hague in 1899, on the motion of Great Britain, and under the name of the Permanent Court of Arbitration, the international court was put into operation three years later,

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 20, 1917.

on the initiative of the United States. Within the dozen years preceding the outbreak of the Great War, the Permanent Court, by means of its tribunals constituted *ad hoc*, adjudicated fifteen disputes between or among the nations. The parties to these disputes were not only the little fellows in the family of nations, like Venezuela and Belgium. Every one of the eight great powers with the single exception of Austria-Hungary has submitted grievances to it; and some of these grievances have been of grave character or of long standing.

The adjudication of at least two hundred and forty international disputes by arbitral tribunals, since the modern history of arbitration began with the Jay Treaty of 1794-5, the fact that not one of the awards rendered in all of these cases has been resisted, and especially the successful operation of the Permanent Court of Arbitration, have caused the intellectual and moral leaders of the world to realize the possibilities of the world court for the preservation of international peace and the establishment of international justice, and they have determined that the existing judiciary organ shall be steadily developed and its functions greatly improved.

With this object in view, four great tasks are being promoted with energy and determination. These are: (1) the development of the court itself; (2) the extension of its jurisdiction; (3) the providing it with sanctions; and (4) the destruction or subordination of its rival.

(1) For the development of the court itself, the United States delegation to the Second Hague Conference in 1907, under the leadership of the late lamented Joseph H. Choate and Dr. James Brown Scott, proposed the establishment of a tribunal, the International Court of Arbitral Justice, which would be a long step in advance from arbitration toward genuine jurisdiction. This court was admirably worked out, and was unanimously agreed upon in all of its details, with the exception of the method of appointing its judges. The problem of providing on a bench of not more than fifteen judges for the absolutely equal representation of each of forty-six sovereign states has not yet been solved. But the example of the United States in its equality of judicial representation for

the forty-eight states of the Union in the Supreme Court with only nine judges, should prove of great cogency in solving this problem at the next Hague Conference.

There is a fundamental difference between legislative and judicial representation; for, although legislative representation may require, as in our Senate, the absolute equality of representation of sovereign states, or as in our House of Representatives, a representation proportioned to population, judicial representation is not of this mathematical character. Hence the problem of the equal judicial representation of forty-six nations in a court of not more than fifteen judges is not the mathematical impossibility which it seems to have been regarded. A due regard for languages, legal principles and procedure, and especially for the personnel of the court (rather than numerical equality) are the determining facts in the problem.

(2) The extension of the jurisdiction of the International Court was attempted at the Second Hague Conference in 1907 by means of a world treaty of obligatory arbitration, and by a decrease in the exceptions to arbitration, such as cases involving independence, national honor, vital interests and the interests of third parties. The attempt along both these lines failed, however, and the *vinculum juris* in this respect is still a very loose one. During the administration of President Taft in 1911 general treaties of arbitration were negotiated with Great Britain and France which embodied the principle of the arbitration of all justiciable disputes, and provided for the appointment of an international, or joint high commission which should determine as to the justiciability or non-justiciability of disputes as they arise. Although these treaties failed of ratification by the United States Senate, they may well serve as the line along which the extension of the jurisdiction of the International Court will progress.

I have been much impressed with the possibilities of the international commission of inquiry, the desirability and practicability of which was agreed upon at The Hague, and which has been applied successfully in more than one international dispute. If I may depart for a moment from my main theme, I would suggest for your consideration the desirability of ap-

pointing at this present time an international commission composed of representatives of all of the Allied Powers, ourselves included, the function of which shall be, not as in the case of other existing or projected Allied commissions, to ascertain and decide upon the most effective means of carrying on the war, but rather to keep in close touch, and to keep the peoples of the Allied countries in close touch, with the operations of the armies as they progress.

It has been said that this is a war of daylight, and that it should not be permitted to become a war of darkness. We know from the experience of the Allied expedition to Peking, and from the experience of the two Balkan Wars, that there is very grave danger that this war also, even though it be prosecuted by the victorious arms of our own allies, is in real danger of becoming a war of darkness. International commissions of inquiry were appointed after the atrocities had been committed in the Balkans, and we know what horrors their reports revealed. Is it not possible to resort to this international device for the prevention of atrocities which seem inseparable from victorious warfare even as prosecuted by the most enlightened of nations, unless it be constantly subjected to pitiless publicity and international control?

It has seemed to me, also, that since the object of this war is the genuine internationalization of the relations of the world, an international commission should be placed in possession of the successive lands as they are occupied by the armies of the victorious Allies. The world would then be in a better position at the end of the war to carry on the internationalizing process, such as that connected, for example, with the possession of Constantinople, than if these lands should be under the control of a single government, or should be in the hands of the victorious armies of but one or two of the Allied governments.

(3) The Great War, with its accentuation of the "frightfulness" of military and naval force, has precipitated the question of whether the international organization shall be based upon the voluntary system or upon a system of force, in the form either of an alliance of national armaments or of an international police force. There are numerous and able advocates

of each of these three proposals. The Great War itself has developed into an alliance of national armaments for the purpose asserted by both parties to the struggle, of securing and preserving peace and justice. Future events will doubtless help to decide the further utility of an alliance of national armaments as the ultimate power behind the international organization and its world court. Meanwhile it remains true that what progress has thus far been achieved has been on the voluntary basis; that is to say, through the operation of the forces of national honor and good faith, of enlightened national self-interest, and of a national and international public opinion. The United States Supreme Court, also, with its reliance upon these latter forces—in so far as its relations with the states of the Union, as distinguished from individual citizens, are concerned—adds the influence of its successful experience to the further development of and reliance upon the voluntary, as opposed to the military or police sanctions of the international court.

(4) Finally, both reason and the long experience of history, as well as the painful lessons of the immediate past, have convinced advocates of international organization so widely removed as William Penn and President Wilson that the world court can be neither perfected nor applied with entire success unless and until the national armaments which have grown up so portentously during the past two score years shall be reduced to such dimensions as are requisite for purely national purposes and shall cease to be prepared or resorted to for international purposes.

I would like to pause a moment here to quote the words, first, of the founder of Pennsylvania, one of the earliest advocates of the international court, who wrote in 1693:

Nor is it to be thought that anyone will keep up such an army after such an empire [that is, such an international organization] is on foot, which may hazard the safety of the rest. However, if it be seen requisite, the question may be asked, by order of the sovereign states, why such an one either raises or keeps up a formidable body of troops, and be obliged forthwith to reform or reduce them; lest anyone by keeping up a great body of troops, should surprise a neigh-

bor. But a small force in every other sovereignty, as it is capable or accustomed to maintain, will certainly prevent the danger, and vanquish any such fear. It may be the war establishment may be reduced, which will indeed of course follow, or be better employed to the advantage of the public. And if this be called a lessening of their power, it must be only because the great fish can no longer eat up the little ones, and that each sovereignty is equally defended from injuries, and disabled from committing them. *Cedant arma togae* is a glorious sentence.

Two and a quarter centuries later President Wilson, in his address to the Senate on January 22, 1917, said:

It [the freedom of the seas] is a problem closely connected with the limitation of naval armaments and the co-operation of the navies of the world in keeping the seas at once free and safe. And the question of limiting naval armaments opens the wider and perhaps more difficult question of the limitation of armies and of all programs of military preparation. Difficult and delicate as these questions are, they must be faced with the utmost candor and decided in a spirit of real accommodation, if peace is to come with healing in its wings, and come to stay. Peace cannot be had without concession and sacrifice. There can be no sense of safety and equity among the nations if great, preponderating armaments are henceforth to continue here and there to be built up and maintained. The statesmen of the world must plan for peace, and nations must adjust and accommodate their policy to it as they have planned for war and made ready for pitiless contest and rivalry. The question of armaments, whether on land or sea, is the most immediately and intensely practical question connected with the future fortunes of nations and of mankind.

I am proposing that moderation of armaments which makes of armies and navies a power for order merely, not an instrument of aggression or selfish violence.

Here again the experience of the United States, which prohibited by its constitution the maintenance of armies and navies on the part of the states of the Union, reinforces the lesson that we cannot prepare for both the military and the judicial settlement of international disputes, and expect the method of judicial settlement to be invariably used. As President Lincoln said of the Union in slavery times: "A house divided against



itself cannot stand." In the development of the international organization, it is fundamentally true that the world must devote itself wholly either to military preparedness or to judicial settlement, and not attempt to worship both the might of armaments and the majesty of the law. It is profoundly true that *inter arma silent leges*—that amidst the clash of arms, law stands silent, abashed and helpless.

Our distinguished chairman this morning drew clearly the distinction between reliance upon force and reliance upon law, and then called attention to the fact that a society (the League to Enforce Peace) has grown up among us which is endeavoring to join together these two opposing forces. I must submit for your consideration this question: Is it possible to bring about such a union and expect the marriage to be a happy and prosperous one?

We were told, also, that the distinguishing feature of German *Kultur* is the reliance of the German people upon the element of force as the very foundation of every phase of their civilization. Eternal vigilance, I believe, is the price here as elsewhere of liberty. Both in our own republic during the Great War, and in the later development of the international organization, I trust that we shall beware of introducing within the body politic of our own nation, or within the international organization of the future, the virus of the supremacy of military force even though it is offered with the promise of peace. We fear the Greeks, even though they come bearing gifts in their hands.

## INTERNATIONAL LEGISLATION AND ADMINISTRATION <sup>1</sup>

ALPHEUS HENRY SNOW

Washington, D. C.

A SURVEY of international politics discloses two great facts. The first is, that the nations have always refused to consider any plan for instituting an international government endowed with physical force. The second is, that the nations, by the Hague Convention for Pacific Settlement of International Disputes, ratified by practically all of them, besides establishing the judicial part of an international organization, legitimized and recommended international conciliation of disputant or belligerent nations by any nation not engaged in the dispute, through good offices and mediation, and also recommended the institution of commissions of inquiry by disputant nations to settle the dispute as agencies of international conciliation.

This second fact is of profound importance; for the Convention for Pacific Settlement is, so far as it goes, a written constitution of the society of nations. By it the united nations instituted an international judicial organ, the Permanent Court of Arbitration; and certain administrative organs ancillary to the court, the Permanent Administrative Council and the International Bureau. By it mediating nations, and commissions of inquiry instituted by disputant nations, were recognized as international conciliative agencies in the particular case. By it the processes of action of these international agencies and organs were prescribed. By the Draft Convention for a Judicial Arbitration Court—otherwise called the Permanent Court of Arbitral Justice—the Second Hague Conference instituted an additional international organ and pre-

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science in co-operation with the American Society of International Law, at Long Beach, N. Y., May 20, 1917.

scribed its processes; and when the nations agree concerning the manner of selecting the judges of this new international court and thus put the Draft Convention into effect, the Draft Convention will in fact form an additional part of the Convention for Pacific Settlement. The Convention for Pacific Settlement is, however, an incomplete written constitution, because it fails to institute any international legislative organs or processes whatever, and because the administrative organs instituted by it, being only ancillary to the judicial organ, are inadequate for general international administrative purposes. In spite of the incompleteness and inadequacy of the Convention for Pacific Settlement, however, the fact that it exists, as the substantially unanimous act of all nations, is perhaps the most momentous circumstance in human history. When the substantially unanimous ratification of this convention was completed, in the summer of 1907, the nations ceased to be a mere unorganized community, and became an organized voluntary and co-operative society and union for judicial purposes—a *verband*, as the German writers describe it;<sup>1</sup> or a consociation, as we might call it.

The nations were not ready, at the time of the Hague Conferences, to consider the question of an improved arrangement for international legislation and administration. It was not even discussed in 1899 or in 1907. The ten years that have nearly elapsed since the Second Hague Conference have, however, been years of wonderful development and progress. This universal war has clarified many things that before were unseen or seen only darkly. The question of making an improvement in international legislation and administration is now one of practical politics. It is clear that such an improvement must occur through the amendment and revision of the Convention for Pacific Settlement so as to add to it the proper institutions for international legislation and administration, consistent with the existing judicial, administrative and conciliative institutions established by it and conforming to the general

<sup>1</sup> See *Der Staatenverband der Haager Konferenzen*, by Professor Walther Schücking of the University of Marburg, published in 1912.

spirit of the convention and the fundamental principles on which it is based.

The first question is, ought an international administrative body to be itself empowered to use physical force to control the nations; that is to say, ought a physical-force international government to be instituted by the nations to govern them for the common purposes? If the nations delegate to a physical-force government the power to govern them, they must also delegate to it the power to tax for the common purposes and the power to raise, support and wield an international army, navy and police. The power to tax, as has been well said, is the power to destroy.

The question whether a physical-force international government is politically practicable as tending to just government, almost answers itself in the negative; since all the nations have persistently, unanimously and recently refused even to consider such a form of government. Yet, as such an international government is advocated by many, it will be desirable to analyze the reasons why it is impracticable, and to satisfy ourselves that these reasons are permanent and unchangeable.

All plans for such an international government fall into one of three classes: They are plans for international government by one nation; or by a league of nations; or by a body of men delegated by the nations, with power to raise, support and wield an international army, navy and police. An international government consisting of one nation would be necessarily autocratic, since a nation is necessarily endowed with physical force and cannot be legally limited. The only limitations upon the powers of a nation which are possible are self-limitations imposed by the nation upon itself; which, from the standpoint of political science, are no limitations. Moreover, the only nation which could, as a matter of practical politics, be the constituted international autocrat would be one which was already the *de facto* international autocrat by reason of its control of the seas, the international trade routes, and the regions inhabited by weak or backward peoples, and which was so favorably located as to be able successfully to weaken all its rivals by playing as sure winner in the diplomatic and military game of the balance of power.

A league of nations is, like a nation, endowed with physical force and is incapable of constitutional limitations; and if such a league were to institute itself as the international government, it would have to be, already, collectively, the *de facto* international autocrat. There being no possibility of constitutional limitation as respects either the internal or the external relations of the league, it would necessarily develop an invisible government of its own, which would be the autocrat of the league and of the world. This invisible government would necessarily be a body of men, or the one nation which at the moment happened to be the *de facto* and actual autocrat of the world.

If the nations, without disarming, were to appoint a body of persons with governmental powers for the common purposes and endow this body with physical force, the result would be to increase the possibilities of war without establishing an efficient international government. If the nations were to disarm and delegate powers of government for the common purposes to a body of persons, at the same time endowing this body with physical force, they would destroy themselves as nations and become states of a universal federal state. Such self-abnegation on the part of the nations, if conceivable as a matter of practical politics, would, however, be of no avail, since a federal state thus established would be found to be inefficient as a means of preserving international order and peace.

The federal state, if attempted to be applied where the requisites for its operation do not exist, establishes an autocracy of a majority necessarily ignorant of its own needs or the needs of the minority, which is the worst and most hopeless of all autocracies. The two requisites for the successful existence of a federal state have been proved to be, first, that it shall include a territory every part of which is contiguous with every other part or is so situated and populated that it may be regarded as appurtenant for political purposes; second, that it shall contain a population which is highly civilized and homogeneous and which is under an economic pressure to co-operate as an economic unit. Where these two conditions

do not exist, the federated states and peoples are necessarily ignorant of the local conditions of one another and are swayed by their local interests, so that the majority vote of their representatives is necessarily determined by the play of the local interests against each other. Such a situation means either government by an assembly which is autocratic through ignorance, or an invisible government which is autocratic as being without constitutional limitations. On account of the realization of this danger of the federal-state plan of government, if extended beyond the regions in which the necessary conditions exist, the proposal for converting the British Empire into a federal state, promoted by the Imperial Federation League from 1885 to 1895, was rejected by the people of Great Britain, and by the people of the British dominions, colonies and dependencies. For the same reason, the people of the United States rejected the proposal to incorporate the Philippines into an enlarged American federal state. Taking the world together, with its diverse nations and peoples, the conditions for uniting the nations and their peoples into a federal state are lacking not only at the present time, but undoubtedly for all time to come.

If, therefore, the nations were to attempt to institute any kind of international government endowed with physical force, they would inevitably be instituting an international autocracy. It would be indispensable that in any constitution of the society of nations, there should be an express constitutional prohibition, denying physical force to any part of the organization—legislative, administrative, or judicial; and also a prohibition denying the power of taxation in any form or under any guise whatever, since a body which can tax can endow itself with physical force.

The object of these prohibitions would be, however, only to prevent the international body delegated by the nations from becoming autocratic, and it would doubtless be needful that the international body should exercise certain international police powers in certain exceptional cases. Therefore it would be necessary to provide, by way of exception, that these prohibitions should not prevent the nations from making grants to the

international body, by special international agreements, of police or taxing power, or both, within international areas or internationalized districts designated by these international agreements, where the local circumstances were such that it would be certain that no resistance would be made to the international police except by individuals or by small unorganized bodies of individuals..

But, though thus substantially deprived of physical force, the international body which any constitution of the society of nations must necessarily institute of course must not be deprived of force, since all government involves the use of force. It could be, and undoubtedly ought to be endowed with persuasive force. Persuasion is a force which is utilizable and every day utilized, with increasing effectiveness, by all governments, but which, like all forces, has the possibility of use for good or for evil. An international body, delegated by the nations, could use persuasion to induce the nations either to co-operate in order and peace, or to compete with one another in disorder and war. By controlling the physical force of some of the nations, it could terrorize and enslave other nations or produce interminable war and anarchy. Such a power must be carefully safeguarded by constitutional limitation, so that it may be effective and yet not dangerous.

The international body, in order to be effective, must exercise scientifically organized, informed and applied persuasion. This implies conciliation by expert, informed and aggressive action. The international body must not sit still and wait for the nations to ask it to act. It must investigate and inform itself, must formulate counsel on the facts discovered by investigation, and must do everything proper to induce the nations to accept and follow its counsel. A body endowed with the power of conciliation uses real force and superior force; for it uses psychical force; and psychical force, being the creator, user and destroyer of physical force, is necessarily superior and major force.

The international conciliative body, in order to be effective, must be pervasive. It must therefore have in each nation a

permanent branch or delegation. Doubtless the international body would appoint the members of each national delegation, subject to confirmation by the nation through its executive government or its legislature. Doubtless also the members of each national delegation would be removable by the international body.

The international conciliative body, in order to be effective, must be armed by the nations with the weapon of publicity, so that it may create and wield, or correct, public sentiment in favor of its righteous counsel. The power to publish its counsel and support it by statement of facts and by argument, might, and probably would, require that it should be granted a means of publication controlled by itself.

The international body, in order not to be dangerous, must use its power of persuasion exclusively for conciliation to induce co-operation. It must appeal to self-interest, seen in the light of the interests of all concerned. There must be an entire absence of threats, secret pressure, or other form of terrorization. Partisan politics must never be allowed to influence its personnel or work, or that of its delegation in any nation. Its independence and impartiality must be absolute, and should be jealously prized and guarded by the people.

It should be impossible in the future for any conferences to be held when secret treaties exist affecting the objects discussed, unknown not only to the nationals of the countries involved, but to the very parliaments themselves, as has been the case in the past. The fundamental work of the international body must be, through its delegation in each nation, to instruct the masses concerning the international status, the situation of their own nation, the attitude of their own national administration toward international affairs and the reasons for and against it, as clearly and definitely as is compatible with the public interest; so that public opinion, instead of being swayed by ignorance, by prejudice or by local self-interest, will be sound and enlightened and a source of strength in any crisis.

Conciliation necessarily involves the acceptance and promulgation of democracy, republicanism and co-operation; that is,



in a word, the two great commandments of the New Testament. It implies government by consent, since conciliation by the government and consent by the governed are correlative. The philosophy which it must inevitably act upon and inculcate, if it acts logically, is the philosophy of co-operation—that each man and each nation can gain more by voluntarily co-operating with all others in utilizing the forces of nature for human development and by participating equitably in the common product, than is possible by isolated or competitive action.

The principle of conciliative direction of the international acts and relations of nations by international agencies, is the fundamental principle on which the Convention for Pacific Settlement is based. The first part of that convention is devoted to “good offices and mediation;” the second to “arbitration.” “Good offices and mediation” are merely diplomatic terms to express two elements of the whole process of international conciliation. Though the convention, as has been said, creates no general international agency of international conciliation, nevertheless by its legitimation and approval of good offices and mediation by one nation as respects disputes between other nations, and by its recommendation to disputant nations to institute commissions of inquiry for the settlement of the dispute as international conciliative agencies, it recognizes international conciliation as a proper and feasible means of directing international action. The establishment of means for international legislation and administration by conciliation, therefore, would not require the nations to accept a new principle. It would only be the carrying-out to its logical conclusion of a principle which they have already accepted. The problem of bringing about efficient international legislation and administration is that of formulating a scheme of international legislation and administration based on the accepted principle of international conciliation, which shall be acceptable to the nations as being for their general and particular self-interest; and of fitting this scheme into the present scheme of international adjudication and national conciliation established by the Convention for Pacific Settlement, so as to expand that

convention into a complete written constitution of the society of nations.

The proper organs of an international political body for effecting international legislation and administration by conciliation would not, it seems, be a legislature and an executive exactly in the sense in which we use these terms, but would resemble what in our large civic associations and our business trusts (and, indeed, in nearly all associations of a purely voluntary and co-operative character) we call an executive committee and a general committee. The body corresponding to an executive committee might be called the ordinary international directorate, and the one corresponding to a general committee, the superintending international directorate. The ordinary directorate would, through its members, aided by such subordinate committees and expert assistants as might be found necessary, and by the local delegations in each nation, do the continuous administrative work of conciliation—making investigation of facts, formulating its counsel on the facts as ascertained, and doing everything proper, short of using physical force, to induce the adoption of the counsel by the national governments concerned. The superintending directorate, meeting occasionally or periodically, would, as chief administrative, superintend the administrative action of the ordinary directorate by formulating different counsel in particular cases, and would also act legislatively by laying down general rules applicable to general classes of international activities. These general rules would be primarily for the guidance of the ordinary directorate in its conciliative work. Incidentally they would be for the guidance of the nations and their people in the classes of international activities to which the rules would relate.

The ordinary directorate would doubtless be more effective if it were to be an appointive body. The members might be appointed by a body corresponding to the Permanent Administrative Council established by the Hague Conferences, or by the superintending directorate. The superintending directorate would doubtless be most efficient if it were to be a representative body. The system adopted in the United States of

having a Senate and a House of Representatives, the one representing the nations as equals, and the other representing districts of equal population, would seem to be applicable.

The composition of the membership of the directorates would be a matter of prime importance. There would doubtless need to be stringent rules determining the eligibility of persons to membership in either directorate, particularly in the ordinary directorate. The use of conciliation as a governing force so as efficiently to direct the action of masses of men, by their own consent, into activities which are to their self-interest and also to the interest of all, is expert work of the highest character. No one should be eligible to such an official station who is not naturally endowed with great intellect and conscientiousness, and who has not added as much as possible to his natural powers by education, by study and research, by travel enlightened by knowledge of languages, and by actual experience in government.

Under an international conciliative directorate, international legislation would be effected, as at present, by the conventional enactments of conferences of all nations ratified by the separate nations, or by the fixation of international custom through coinciding treaty and diplomatic action of many nations; but in addition it would be effected by the general rules laid down by the superintending directorate for the guidance of the ordinary directorate, by the ordinary directorate in following its own precedents of counsel, and by uniform national legislation and treaty action respecting international matters, this uniformity being brought about by the conciliative action of the international directorate. Each nation would be regarded as having not only exclusive powers of government within its own borders and over its own purely internal activities, and over all its citizens and corporations as respects their international activities, but also concurrent full powers of government with all other nations over the high seas, and concurrent limited powers of government over the international trade routes, natural and artificial, and over all regions held as dependencies by any one nation. The international directorate and the national legislatures and treaty-making organs, acting uniformly

in international affairs, would all together constitute the international legislature. International conferences for framing rules of international law, subject to ratification by the nations, might also be held, if deemed advisable.

The international administration would be conducted by the two directorates and the executives of the different nations; the latter enforcing, each upon its own nationals and corporations, in a uniform manner recommended by the international directorate, the international legislation enacted in manner above described. The international administrative would thus be composed of the international directorate and the particular national executive engaged in enforcing a particular act of international legislation.

The present Permanent International Court of Arbitration, and the Permanent Court of Arbitral Justice already agreed to in principle by the Second Hague Conference, would remain as the supreme judicial organs of the society of nations; their decisions being advisory and being reported by the respective courts to the ordinary directorate so that it might secure their enforcement through conciliation of the nations concerned. Doubtless in the long run international district courts would be established in correspondence with the Permanent Court of Arbitral Justice, each district comprising one large nation or a group of smaller nations. These district courts might have final jurisdiction in non-constitutional cases in which the rights involved were really those of individual nationals of different nations, subject to *certiorari* from the Permanent Court of Arbitral Justice. The Permanent Court of Arbitral Justice might have appellate jurisdiction over the district courts in constitutional cases between individual nationals of different nations, and exclusive jurisdiction in suits between nations involving strictly national rights as distinct from the rights of individual nationals. The nations would of course remain at liberty to settle their disputes by arbitration conducted by arbiters of their own choice, if they saw fit.

The primary power which would need to be delegated to the international directorate would be the power to bring about, through conciliation applied to national governments so as to

induce uniform national legislation and treaty action, the internationalization and freedom of the high seas and of the international trade routes, including international railroads, canals, straits, sounds and rivers. This would involve a conciliative direction of international trade, finance, intercourse and migration. Power might also be delegated to the international directorate to bring about, by the same conciliative action, a more or less complete internationalization of backward countries held as dependencies of separate nations; such internationalization to be effected by each nation holding dependencies adopting a more or less open-door policy, determined in each case by the local circumstances of each dependency, as respects concessions for internal improvements and for carrying on manufacturing, mining, trade, transportation and banking in these countries; the ultimate goal being the equalization of economic opportunity among all the nations.

The exceptional cases in which the police and taxing power, or the police power alone, might properly be granted to the international directorate would, it seems, be of three kinds. First, if a district were provided as the seat of international direction, the international directorate would necessarily have the power of local police and local taxation within the district; second, if the high seas, as an international area by reason of being the common property of all nations, were to be freed from national naval vessels as the result of destructive inventions and the successful working of the international directorate, the international directorate might be granted authority to patrol the sea routes for police purposes; and, third, if zones or districts bordering on straits, canals or rivers were internationalized by special international agreement, the international directorate might be granted authority to maintain a police patrol within the internationalized zone or district.

The whole directorate, composed of the ordinary directorate and the superintending directorate, together with the international courts,—which might be called the general international directorate,—would be financially supported in the same manner as is the present international body located at The Hague. The Convention for Pacific Settle-

ment provides that the expenses of the present Hague organization "shall be borne by the signatory powers in the proportion fixed for the International Bureau of the Universal Postal Union." The convention establishing the Universal Postal Union actually fixes the proportions to be paid. Doubtless no better system could be devised at the present time.

The safeguards around the international directorate would be primarily, the substantial denial of power to use physical force, which would carry with it a denial of general taxing power; secondarily, the requirements that in its action it should deal exclusively with the national governments; that it should use conciliation and persuasion exclusively; that it should be composed of experts and superintending experts; that it should have a specific sphere of powers relating to the seas as the common property of all nations, to the international trade routes as subject to the common use of all nations, and to colonies and dependencies as subject to a qualified common use by all nations; and, thirdly, the provision that it should never be reduced to the necessity of begging money from the nations or asking protection from any nation, but should be assured, in advance and permanently, by an agreement of all nations, an adequate and dignified support, and perhaps also an appropriate seat of international direction exclusively governed by itself.

It is incumbent on the United States to see to it, so far as may be in its power, that no international directorate is ever established except under a written constitution delegating carefully limited powers and ratified by all, or at least two-thirds of the nations; and that the written constitution shall be plainly such on its face—not merely in substance, but also in form. It is incumbent also upon the United States to see to it that this constitution shall contain a plain and distinct recognition of the universal and fundamental principles which lie at the basis of all orderly and peaceful society. The insistence of Americans on written constitutions is not a mere American idiosyncrasy. Written constitutions are a vital and essential part of the American system, regarded as a universal system. By the Declaration of Independence, the American people com-

mitted themselves to maintenance of the proposition, as a universal and self-evident truth, that all men are equally the creatures of a common Creator, and that there are therefore certain rights of every human being, of which he cannot by his own action deprive himself, which arise from the nature of man as a spiritual being and from the equal endowment of each man by his Creator with the attributes of life, the will to live, and the desire for happiness, which are common to all; so that these fundamental and universal rights exist antecedent to and independent of every government, however great and powerful. This fundamental and necessary limitation upon the power of all governments requires recognition by all governments through a written constitution; and since all the subordinate rights of individuals established by governments must be derived from and consistent with these fundamental rights, written constitutions are also necessary in order to enable the people governed so to frame their government and so to limit and safeguard it, by general declarations, by specifications of powers, and by prohibitions, that it will certainly respect and secure the fundamental principles which underlie all human society and the fundamental rights of individuals and nations based on these fundamental principles.

Therefore it would be necessary that the written constitution of the society of nations establishing the international directorate should contain a declaration of the universal and fundamental principles of all human action and relationship such as is contained in the first sentence of the second paragraph of the preamble of the Declaration of Independence; a declaration of the fundamental rights and duties of nations, such as that which has been adopted by the American Peace Society and the American Institute of International Law; a declaration of the objects of the constitution, modeled upon the preamble of the Constitution of the United States; and also, if possible—after the provisions instituting the different parts of the general international directorate, defining their composition and the relations of one to the other, and determining the sphere of jurisdiction of the whole directorate and each of its parts by a specification of powers—a bill of rights demo-

cratizing and republicanizing the relations between the government of each nation and the people of the nation by establishing prohibitions, absolute or conditional, upon certain forms of governmental action found by experience to be injurious or destructive to liberty.

The institution of such an international directorate as has been above proposed would not disturb any of the existing agencies or processes by which international activities and relations are now directed. The nations would retain their ministries of foreign affairs, their ministries in charge of dependencies, their diplomatic and consular officers and their courts functioning in international cases. The judicial tribunals and the administrative arrangements ancillary to them, established by the Hague Conferences, would be unchanged. Upon the present international mechanism the international directorate would be superposed as a means of bringing all the existing agencies and processes into co-operation and harmony.

The international directorate proposed would be but an application on a universal scale of the system which nearly all nations having dependencies have found necessary in the management of their colonial empires. The Privy Council and the Council for India in Great Britain, and the colonial councils of the European nations, which, under the ministries for the colonies and dependencies, manage the colonial empires of these respective nations, are in principle interstate directorates, holding together widely separated countries, diverse in race, climate and civilization, by methods which are essentially conciliative. Though these interstate directorates are backed by the physical force of the nation, physical force has been found to be inapplicable in holding dependencies to nations except when used sparingly and scientifically in aid of conciliation, and in many cases to be wholly inapplicable. The superintending directorate in colonial empires is in process of evolution, and in one or more of them will doubtless soon be a fact. The problem of holding together the widely separated nations of the world, diverse in race, climate and civilization, is clearly analogous to the problem of managing colonial empires. The only difference is, that the international directorate must be a



delegated body, instituted by all the nations, which shall be of and for them all, and shall carry the principles of democracy and republicanism into international relations.<sup>1</sup>

The plan proposed would, of course, not be a panacea for all international ills. Each nation would continue to be free and independent. It would reject or accept the counsel of the international directorate according as it thought its self-interest demanded. Secret treaties and other forms of intrigue, and excessive national armaments to support the intrigues, would doubtless continue to go on. Domination of the seas, of the international trade routes and of the backward countries by individual nations or by a league or leagues of nations, would no doubt continue to be attempted. Invisible international government, in democracies and monarchies, would undoubtedly continue to be the dream of political, financial and trading syndicates, and to have a more or less stable *de facto* existence. Attempts would probably be made to pervert the international directorate to selfish national ends. Therefore war would continue to be possible. But a means would have been provided for the gradual abolition of all these abnormal processes and agencies and for the limitation, by the free act of the separate nations, of the excessive national armaments which make these abnormal processes and agencies possible. Excessive national armaments will be limited by the voluntary act of each nation when it ceases to be for the self-interest of each nation to maintain an excessive armament. When an international organization, by its successful operation, has made some part of a nation's armament unnecessary and therefore excessive, the nation will, as a matter of common sense and economic necessity, scrap the part which is excessive, and release the capital and labor for productive employment. Limitation of national armament in any other manner is, it would seem, impossible. In this manner it may be possible.

<sup>1</sup> Cf. The Administration of Dependencies, by the author of this article, pp. 527-530, 578-604, as respects the management of colonial empires by directive councils and superintending directive bodies, and the applicability of the directorate form of government in political aggregations where the federal-state form is inapplicable.

That some such international conciliative directorate as has been suggested, exercising legislative and administrative as well as judicial direction of the nations as respects international matters, must sooner or later be established, would seem to be beyond doubt. Destructive inventions have made the strong nations and the weak nations almost equally strong and equally defenseless. Constructive inventions have enabled all men and nations to share equally in the common necessities of life and in the common knowledge. All the races of men are rapidly becoming equal in physique and intelligence, and equally cognizant of their fundamental rights.

The proper time to begin the institution of the new system would seem to be the present moment. The questions of national existence and boundaries which are now the obstacles to peace, are almost entirely questions incidental to the rival ambitions of great powers. As things now are, small nations occupying strategic positions on international trade routes cannot be allowed independent existence within boundaries determined by the principles of nationality and equality of national right and opportunity. These small nations must, under the present system, be given such boundaries and allowed such privileges as are consistent with the political and economic policies of the nation or group of nations which for the moment holds the balance of power and dominates the particular international trade routes on which these small nations are situated. So long as there is no international direction to modify and gradually to supplant the present system of the balance of power, that system will remain, involving all the great powers in the struggle for world power, and leaving the small and strategically important nations in a condition of perpetual uncertainty as respects their boundaries, their privileges and even their national existence. A conclusion of the war which should determine, according to the exigencies of the balance of power, the relations of the great powers to each other and the privileges and boundaries of smaller nations, would greatly complicate the future. Such a peace, as laying the foundation for a greater war in the future, might prove a worse calamity than the war itself. The most certain assurance against a

peace of this kind would seem to be a unanimous agreement between the great powers, entered into during the war, accepting the principle of an international conciliative direction after the war.

Once such an agreement were signed, it would be possible for the great powers, in the treaty of peace, with safety to each and all and without loss of dignity to any, to adjust properly the relations of each to the other and to determine scientifically and fairly the questions concerning the existence, rights and boundaries of the smaller nations and the claims of the nationalities which are aspiring to nationhood. A treaty of peace so made would form a sound basis for the future orderly and peaceful co-operative development of all nations, and would greatly simplify the work of the international directorate which would be formally instituted after the war through a constitutional convention of all nations.

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## A PARLIAMENT OF PARLIAMENTS<sup>1</sup>

FELIX ADLER

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I HAVE in mind a suggestion somewhat analogous to the plan of international legislation and administration just set before us, though less comprehensive. To discuss intelligently the elaborate plan of Mr. Snow, it would be necessary to study it in detail. But before hearing his paper I had in mind the idea of a parliament of parliaments, a kind of super-parliament to be elected by the different parliaments of the world. The understanding would be that each of the national delegations to the parliament of parliaments would consist of persons representing the different social groups within the nation—laborers, manufacturers, merchants, scientists etc., to the end that the relations of people to people should be removed from the control, at least the exclusive control, of the diplomatic agents who have hitherto administered foreign affairs, and that these relations should be placed in the hands of the people themselves.

I happened to be in London some time before the outbreak of the war, and there I gained a distinct impression of the tense feeling existing between England and Germany, and also of the very promising efforts that were being made in important quarters to bring about a more friendly attitude of mind. I cannot help thinking that if a parliament of this kind had existed, if there had been some such international conference body, the war might have been averted. I agree with Mr. Snow that the use of physical force should be denied the international congress, that it should depend entirely on the moral force it can exercise. I am convinced that this force is bound to be exceedingly great. If such a body had been assembled

<sup>1</sup> Discussion at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

before the war; if English workingmen could have been brought face to face with German workingmen, English merchants with German merchants; if they had had the opportunity to talk matters out, instead of negotiating through secondary diplomatic channels; if the people who must "pay the piper" had come together and directly faced each other, we might have been spared this terrible catastrophe. So the first suggestion is a parliament or international conference, to consist of national delegations, including representatives of the different social groups within each nation. These delegations need not number more than twenty-five or thirty persons each. The entire body would not be unmanageably large. Our parliaments and congresses at present consist of five to six hundred members.

The next point I wish to speak of is that besides preventing controversies from reaching the acute stage, a parliament of parliaments, an elixir of parliaments such as is here proposed, would properly undertake the important function of international legislation—a function that is apt to be minimized whenever a court or a league to enforce peace is offered as the principal remedy.

I cannot persuade myself that the development of international law can safely be intrusted to a court. I speak with due diffidence in the presence of distinguished jurists, but it seems to me as a layman that it is the court's affair not to make but to interpret law, and that the law should be made by the people. Professor Moore, in his remarks on the judicial function of arbitration bodies, alluded pointedly and with some pride to the fact that they had been accustomed to base their decisions on precedent. But is not this the very circumstance that would seem to make them unfit to take over the function of international law making? For the world today is confronted by problems such as Grotius and Vattel did not have to meet. The international legislator today will have to deal with new situations to which precedent affords no parallel, and in dealing with which reliance on precedent will be a hindrance rather than a help. There are the great questions of colonial expansion, of the freedom of the seas, of the open door with

regard to backward races—not indeed the “open door” through which all the exploiters of Europe and America can enter on equal terms, but the open door of opportunity for those backward races themselves, so that they may be reasonably protected in the effort to develop along the lines of their own capacities and their own gifts.

An international legislature would have to address itself to all these great problems of the relations of people to people, not only of the civilized peoples of the world to the less civilized, of those civilized in some directions and less civilized in others, but of the civilized world at large to the infant races. We have been told that in Africa during the last century ten million of the natives fell victims to the civilizing solicitude of the white race. It is such conditions as these that cry loudly for a change of mental attitude—yes, for a change of heart on our part. And I for one do not see how reliance can be placed either upon a league to enforce peace, if such a league be indeed practicable, or upon a mere court to establish the kind of international law which the world needs and which the world court shall administer and interpret.

There is one other point upon which I wish to dwell for a moment. It is that perhaps not sufficient attention has been paid to the psychology of peace and war. How will it avail us to construct ingenious devices, courts, legislatures and the like, without penetrating somewhat deeper and considering the psychic factors that operate in the minds of nations, the motives to which we can appeal in the interests of peace? We know well the psychic factors that breed war—national pride, economic greed and the like. These hostile forces, these engenderers of hate, have been fully described. But what are the psychic factors upon which we can rely as our allies in binding up the wounds of nations, and conciliating their enmities? We are accustomed to speak of “The Allies” just now. I want to speak of those spiritual allies upon whom above all we must depend, to whom above all we must appeal after the Great War shall have burned itself out. Now I hope that you will not think me too idealistic if I say that it is after all a spiritual factor that we must rely upon—not self-interest, not even

pity or sympathy, for both self-interest and pity have failed us in the hour of need. Just before the war it was confidently prophesied that there never could be another war, because of the economic injury which the victor would sustain as well as the vanquished. And then the war came to mock these prophecies. Nor will pity suffice as a deterrent; for have not individuals and whole nations, in an ecstasy of self-sacrifice, been willing to forget the sufferings they inflict on others in view of the burden of suffering which they are prepared to accept for themselves? No; it is the moral factor upon which we must depend, however slowly the world may be educated up to it; and by the moral factor I mean simply the idea contained in the word "right."

The fundamental question to my mind is, How can we bring it about that the unequal nations, the nations that are actually unequal, that is superior in numbers, in wealth, in civilization or what counts as such—that these nations, I say, shall regard little Belgium and little Persia and little Greece as their equals? Herein lies the very essence of the problem—how to make the actually unequal, the superior, admit the equality of those who yet in some sense, namely morally, are their equals.

Now the answer in the case of nations is the same as in the case of individuals. An individual is my equal, though he be inferior in wealth or intelligence, because of his moral personality, because he has certain rights which I am bound to respect. And these rights, when analyzed, come to the simple proposition that he has the right of a moral personality, the right of self-development, because there is in him something that is worth developing. In other words, the conception of right reduced to its lowest terms involves the idea that every human being has something to contribute, something that the world cannot do without, something that mankind cannot afford to miss.

Now apply the same thing to Belgium and Persia and Greece. There is something in each of these nations, a type of civilization, a type of culture, to be developed, which is worthy of the respect and admiration of the rest. They are the equals of the greatest countries because there is something in them unlike

that which these greater countries have produced or can produce, which yet humanity at large has an interest in conserving, and where it is latent, in educating. This is what I mean by the moral factor—the factor of right. And in order to make that effective, I recur once more in closing my remarks to the parliament of parliaments. Assume that a state of war is about to be declared, the purpose being to violate the principle of right. Germany is about to violate Belgium's rights, Russia and England are about to violate Persia's rights. The parliament of parliaments is convoked, the nations sit in great conclave. Little Belgium and little Persia stand up in the persons of their national delegations, and, speaking with their own voice, and with that impressiveness, that constraining effect that belongs to the moral nature when it finds utterance, Belgium and Persia will declare their rights, and the nations sitting around will say, "Well done; we approve." And then there will be a true world opinion in favor of Belgium and in favor of Persia, and the mighty nations that attempt to violate those rights will not succeed in doing so, because a true and genuine world opinion such as does not exist at present will stand in the way, a bar they cannot overleap.

The President has spoken of world opinion, but at this moment there is no such thing. There is the opinion of the Central Powers and the opinion of the Allied Powers—mutually contradictory. What we need is a body like the parliament of parliaments to generate a world opinion, a genuine world opinion; and one, which, when it has once gained expression, no nation on earth will be strong enough to resist.



## WORLD ORGANIZATION

### DISCUSSION <sup>1</sup>

MR. SAMUEL T. DUTTON, Secretary, World Court League: Before the outbreak of the Great War, the United States had shown much interest in a possible federation of the world. Many statesmen, publicists, preachers and writers had proclaimed the importance and the necessity of making an end of war by organizing the nations into some sort of a world state, which should gradually come to possess legislative, executive and judicial functions.

What is known as the peace movement centered in the idea. The Interparliamentary Union composed of delegates from the several legislative bodies of the world seemed to prefigure a more official body which should have power to legislate in the interest of a united world. The ideal of world organization was reflected in all the national peace congresses prior to the war. The Lake Mohonk Conference on Arbitration has justly been given the credit for developing the truth that a large percentage of international differences may be disposed of by methods of mediation, conciliation and arbitration. The several peace societies and foundations, established for the purpose of educating the people to the conception of permanent peace, have recognized that there must be federation of states. Then there has been the important work of the American Peace Society, the Society for the Judicial Settlement of International Disputes, and the International Law Association. The published reports and documents of these scholarly and thoroughly representative bodies have discussed repeatedly the requirements for international government, such as a world court, the codification of international law, and the means of making treaties more effective.

Dr. Adler's proposition for a parliament of parliaments has in it much of merit. If he intends to imply that such a parliament is to be made up of members selected from other parliaments, there may be some difficulties in the way. No world parliament would be satisfactory whose personnel was not representative of the highest and most able statesmanship of every nation. There should be no letting down from the standard of the Second Hague Conference.

<sup>1</sup> At the afternoon session, May 29.

If there were time, it might be shown that the influences leading to the Hague Conferences of 1899 and 1907 were generated in the United States, and it is well known that our American delegates to the second conference, especially the late Joseph H. Choate and Dr. James Brown Scott, secured the unanimous approval of the Court of Arbitral Justice. If it had been possible to harmonize the opinions and ambitions represented in the Conference respecting the methods of organizing the court, the history of international relations during the past ten years might have been different from what it has been.

As indicative of the trend of events, let me refer to the record of fifteen cases successfully settled by the Hague Tribunal, and to the thirty treaties negotiated by President Wilson and Secretary Bryan, twenty of which are already in force, providing for the employment of commissions of inquiry and for delay, with agreement not to declare war or begin hostilities while investigation is in progress. These were a few of the events attaching to the peace movement prior to the war. This movement was obnoxious to some, just as every great reform is opposed by people who seem to be decent and not wanting in intelligence. Indeed there are those who seem to be honest in believing that war is such a blessing that it ought not to be interfered with or entirely abolished. Nevertheless it appears from facts that the minds and consciences of leading Americans were committed to judicial methods and to some kind of international co-operation. How about the people? Here, as always, there existed indifference, apathy and ignorance. The everyday life of men and women is too absorbing. They buy and sell; they marry, raise children, struggle to pay their debts and try to amuse themselves. No, the preachers and reformers wanted a better order, but the masses had not been effectively reached.

But the real question is, How will the United States feel and how will she act after the war? Speaking guardedly, believing, as I trust we all do, that we are waging a righteous war and that we must not waver or falter until the end is reached, we may expect an awakening of the popular mind to the need of a new world order. We can hardly hope that the war will be popular. Seriousness of purpose and determination will increase, but anxiety, dread and sorrow will increase still faster. The common man cannot contemplate with composure the increase of his taxes from four to tenfold. Some of course will be made rich; many will be made poor and will suffer. If the war continues for two or three years, the futility and horror of such conflicts will be brought home to the hearthstones of the people

as never before. I predict that as a result, there will be an unprecedented longing that the nations be brought into some kind of a league, that at least a society of nations be formed for the purpose of securing and maintaining peace.

The President has spoken for the nation in favor of the new order, using such broad generic terms as will not embarrass us when the time comes to act. The propaganda of the League to Enforce Peace has aroused much interest. While it has seemed to many that the emphasis was misplaced, Professor Taft and his associates have sounded the call to action in such a manner as to arrest the attention of many representative people. The World Court League believes that judicial settlement sustained by public opinion must be the central aim in any scheme of world organization. Just as the Supreme Court of the United States is the tribunal of last resort for forty-eight empires on this continent, and its decisions have been accepted without the use of force of any kind, so it is thought by many that a court of nations, by the dignity of its position and the majesty of its purpose, will compel respect and obedience. We can now see two leagues enforcing peace with effects which are deadly and damning, viewed in the light of civilization.

After the war, when all Europe is prostrated, when every home is in mourning, when the United States has poured forth her blood and her treasure in the cause of liberty and democracy, may we not expect that there will be a new and stronger demand for world organization to the end that justice, which has been dragged from her high place, may be re-enthroned, and that public opinion, which has been the sheet anchor of civilization at all times, may operate with irresistible power to make and to keep peace?

The international mind which is being developed by the Great War, is susceptible of still further development, first, into international public opinion, growing out of knowledge and experience. The next logical stage of development would be an international will founded upon a universal sense of justice and a determination that unrighteous and cruel wars should forever cease.

MISS LILLIAN D. WALD, Head Worker, Henry Street Settlement, New York: So distinguished a scholar as Professor John Bassett Moore has said that after all we have to deal with human nature, and therefore I am not reluctant to bring a very brief contribution from the experience of those who are just folks. Mr. Moore also gave us a slight suggestion, quoting from a poet, that there was danger of

people being over-proud. There is danger of being over-proud as to what we may do, and how we may appear also. I recall some years ago passing a little modest Chinese laundry. I had been accustomed to nodding good-morning to the two Chinese in that laundry; one day there was only one, and I said to him, "Where is the other one?" He replied, "Him in hospital; Chlistian gentleman hit him on head."

That part of the United States that I know most intimately is, in a small way, practically a world organization, in so far as organization is meant to enable people to get together. I have never found that there was much difficulty in fusing the individuals of peoples of very diverse nationalities when they have been linked by ties that are related to their common life, their jobs, their children, their art, their heroes, their cost of living, or their rent. When thoughtful social workers are engaged in the so-called Americanizing process, they have been most careful to abstain from what might be called "spread-eagleism," or the more shallow expressions of patriotism. On the other hand they have endeavored to show how alike are the ideals of democracy and patriotism the world over. They have indeed tried to make Americanism evident to these people, to show them that Garibaldi, Mazzini, Tolstoy, and Abraham Lincoln were the heroes of all and belong to all; and I might say that that is in contrast to a rather absurd attempt on the part of some people who believe that love for country can be built only upon the argument that this country is better than others.

Good Americans must mean good democrats, if there is any inspiration in the word, and good democrats clasp hands the world over. The people themselves know and understand that America is resourceful and original, but we shall have to relinquish our leadership in democracy to Russia unless our wise men and women devise means and methods for a world organization that rests upon international understanding of the people.

This understanding and organization should not be made obscure by diplomatic technicalities of language. It should be spoken and understood by the simplest in all the land. There are no frontiers between people of honest thought and understanding. There are ties that exist and have existed, that have been expressed not only by the people and the understanding of the people who live together in the great cosmopolitan cities, but by the great scientific international societies, by the international organizations of arts, of medicine and of trade. Moreover, we have got to get into the daily habit

of thinking internationally, in terms of brotherhood. Perhaps if we do that we shall have to sacrifice some of our excessive nationalistic vocabulary; we shall have to educate ourselves up to internationalism; to rewrite our elementary histories; to study the work of the experts who are trying to perfect the machinery for world organization. If we are really in earnest, if we really mean what we say, then it will not be so difficult for the experts to devise the proper machinery.

MR. MOORFIELD STOREY, Boston, Massachusetts: We all sympathize with the ideals which have been suggested to us this afternoon, but this is a practical problem, and I want to call attention to some very practical considerations. Nations in the abstract seem very much alike. What we are dealing with is something like sixty-eight millions of Germans who believe in morality and right, but who believe that their culture is so far superior to the civilization of all other nations that they have a right to impose it by force upon their neighbors. We are dealing with Austrians, and we are dealing with Turks. It is suggested that there should be a congress of nations, that into that congress, if it is to succeed, the nations must all come with the common purpose of finding some way by which they can live together in peace. It will not do to have come into that congress Germany, Austria, Turkey, Bulgaria, not informed with that common purpose, not desiring to find a way to peace, but endeavoring to find some way to construct a new concert of nations which may enable them to force their culture upon their neighbors. Bear that in mind.

Now, we cannot reach the German nation very easily, but we can reach our own. We can perhaps have some influence on the public opinion of this country. It is pleasant to stand here and speak of little Belgium and little Greece and little Serbia and all the other small nations that exist on the other side of the water; it is pleasant for us to preach the doctrine that those small nations are to be treated as our equals, and that we are fighting to give to them in the parliament of nations every right that belongs to Russia or to Germany or to ourselves; but the first step that we must take if we are to influence other nations is to set our own house in order. We must preach by example as well as by precept. It will not do for us to preach about the independence of little Belgium, little Greece or little Serbia, if we are to be met with the question, "What are you doing with the little Philippines and Porto Rico and Haiti and San Domingo and Panama and Colombia?" If in that parliament of nations, we

say to Germany, "Your culture is not so far superior to that of England that you have the right to impose it upon France and Belgium," shall we not be met with the reply, "Well, is your culture so far superior to that of other nations that you have a right to impose it on the Philippines?" I read the other day in the *Saturday Evening Post* an elaborate article pointing out that we must organize China on our side, that we must send our exploiters into China, that we must have all the resources of that country under our control. I did not recognize in that article any suggestion that the Chinese should govern our country, or have any right to labor except in a laundry, that they should have any right, indeed, even to escape the assault of the "Christian gentleman."

But it is not only the people living entirely outside our own nation, it is not only our weak neighbors that we must consider, but it is our own fellow-citizens living here in our states, our colored fellow-citizens—men who, under our Constitution, have every right belonging to the highest in this country, which rights are yet denied to them. We know it. How could we, in this parliament of nations, assert the independence of the poor and the weak—the right of every man to think for himself and of every nation to think for itself, if we cannot in our own states protect men against being lynched, if we have not public opinion in this country to assert the rights of our own colored citizens? This is a practical question that comes home to every American citizen. Before we undertake to lay down the law to Germany, before we undertake to talk about this parliament of the world, which is to observe the rights of the weakest and the poorest nations in Europe, let us clear our own skirts. Let us make up our minds that when that parliament is established we will go into it with clean hands, prepared by our own record and our own example. Only under these conditions can we influence the nations on the other side of the Atlantic.

May I add just one word with reference to education? A statement was made this afternoon that our children are trained so that they are ignorant of international matters. Teachers in colleges and schools should consider the teaching of foreign languages, history, political and social economy, and should teach so as to cultivate the international mind. If the people will support such forward movements, the charge made this afternoon against our educational system will not long be supported by the facts.

## THE LEAGUE TO ENFORCE PEACE <sup>1</sup>

HAMILTON HOLT

Editor, *The Independent*

THE President of the United States in his war message said that there were two purposes for which we were fighting: one, to make democracy safe on earth; the other, to substitute co-operation for competition in international affairs. He added that we have no quarrel with the German people as such, but only with the government which, for the time being at least, represents them.

Over one hundred years ago the great German philosopher, Immanuel Kant, said in his essay on eternal peace, "We never can have eternal peace until the world is politically organized, and it never will be possible to organize the world politically until the peoples and not the kings rule." He added, "We have got to rid ourselves of that feeling of hatred and hostility that so many of us cherish against other races and other peoples and other creeds and other nations." Thus you see that the philosophy of probably the greatest of modern philosophers and the statesmanship of our great president absolutely coincide. Both say that the peace for which the world ought to work is a peace based on three things, good-will, democracy, and the political organization of the world.

The idea of the League to Enforce Peace, perhaps the one constructive idea that has been born out of this war's universal destruction, was first given to the world at Independence Hall, Philadelphia, on June 17, 1915, on the very spot where the United States of America was born. It may be that the little group of men who met there on that hot June day started a movement that will eventually lead to the united nations, just as their forefathers in the same place started a movement which led to the formation of the United States.

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

The idea of a world federation or a league of nations is as old as recorded history. We see it in the visions of prophets, poets, priests and philosophers from the beginning of time down to the present. We see glimmerings of it in the Greek philosophy; we see it in the Bible; Dante had the thought. Sir Thomas More expressed the complete idea of a world organization in his *Utopia*, and William Penn and Benjamin Franklin and a host of others had their own theories.

There have been actual attempts to form these federations, though I think I shall disagree with Mr. Snow, who said there had been no successful attempts. The Achæan League and the Amphictyonic Council have come down to us from ancient times. Then there is the great design of Henry IV, which you can read about in the *Memoirs* of the Duc de Sully. Even the two ententes or alliances which brought about this war were also alliances for peace and defense. These loose organizations have generally become leagues of oppression as much as leagues of peace, and consequently have begotten counter-leagues. There have been closer federations of small states into large states like the Swiss Confederation, the United Provinces of the Netherlands, the United States of America and the British Empire. Federations have succeeded, while confederations have generally failed. Possibly our best hope is to make the idea of the league universal, not against some other league, but against the common enemy of mankind, which is war.

As far as I know, Mr. Andrew Carnegie was the first man who ever used the words "League of Peace," in his address to the students of St. Andrew's University in 1905. Mr. Richard Bartholdt, the president of the American Group of the Interparliamentary Union, proposed the same thing at Brussels in 1906. Señor Ordonez, the ex-president of Uruguay, at the Second Hague Conference, actually introduced a proposition for the federation of the nations of the earth. Mr. Roosevelt, in his Nobel Prize address at Christiania in 1910 proposed that there should be a league of peace maintained by force if necessary.



After the war broke out, at the suggestion of Mr. Theodore Marburg, of Baltimore, a group of political scientists, from Harvard and Yale and Johns Hopkins and Princeton and Columbia were invited to meet and discuss this problem. In the course of our discussions we received a questionnaire from a group in England headed by Mr. Bryce, who were working on the same idea. The work of the Englishmen helped us to put our ideas in order, and we agreed on a tentative plan, which was laid before a wider group consisting of such distinguished men as President Lowell of Harvard University, ex-President Taft and Alton B. Parker. Then we agreed upon four propositions which have since become the basis of the League to Enforce Peace, and put out our program in Independence Hall, Philadelphia.

Our committee on foreign organization got in touch with the foreign governments; first Mr. Asquith and Earl Grey of England came out in our favor; then M. Briand of France. At our first annual meeting in Washington, Mr. Wilson was present and made his epochal address. By that time we had responses from other governments; even von Bethmann-Hollweg said, "We not only believe in this movement, but we should like to lead." Then President Wilson asked the Allies if they would join such a league, and all ten of them said they were ready to do it. Since then Switzerland and Spain and the Scandinavian countries have come in, so practically the work of the league has already been established. The responsible men in office have endorsed this idea. Five state legislatures have endorsed our program, and we have organized in every state of the Union except one. Twelve governors are chairman of our state committees, and we have behind the movement the leaders in almost all walks of life in this country. It is the only idea that has grown.

The first principle is that the nations shall join a league and shall settle in a court all justiciable disputes. Is there anything radical in that? We have already done it again and again, especially in the Alabama case, which Professor Moore said was the high-water mark in arbitration.

Second, we propose a council of conciliation to which all

non-justiciable questions shall be referred for investigation and report. Mr. Bryan actually got the same thing through in thirty-odd treaties.

Third, we propose that the signatory powers shall forthwith use their economic and military forces against any member that goes to war before taking its case either to the court or council.

The fourth proposal is that the nations shall meet at stated intervals to make international law for themselves.

The only thing that some persons object to is in the third article. The nations before they go to war must take their disputes to the court or council of conciliation, on pain of having all the other nations attack them. Observe that we do not say that we shall enforce the judgment of the court or council of conciliation, but only that we shall enforce a reference to that council before a nation goes to war.

There are four stages in the development of international organization. The first is the creation of international machinery by which reason can be enthroned on earth; the second is the agreement to use that machinery; the third is the putting of a sanction behind reference to the tribunals established; the fourth is the putting of a sanction behind the decisions of the courts and the councils. The Hague movement has taken us into the first stage. Almost everyone in this country is ready to go to the second stage. The League to Enforce Peace proposes to go to the third stage, and compel the nations to submit their quarrels before they fight. The English group have gone farther and have suggested that the decisions should be supported by force. We are perfectly willing that the decisions should be supported by force, but we do not think the United States would go into any such league. If the Monroe Doctrine should go before a court and be decided against the United States, we might then see all the other nations use their force to overthrow it. So as a matter of practical politics we think we had better not enter a league on such a basis.

People have objected to the use of force in international relations; but force is the universal fact on earth, and in the international realm we are more backward than anywhere else. Yet though we have been unable to abolish force in the state or

nation, there are those who think we can abolish war in international affairs. They say that force is war, that warfare is always bad, and that we commit a paradox if we make war to stop war. But as Bentham observes, peace is so important that it is right to fight, if necessary, to get peace. Moreover, there are two kinds of force—martial force and police force. The problem is how to eliminate martial force and have police force because the policeman acts not *ex parte*, but on the basis of reason enthroned in law. Since force has to be used everywhere on earth, the thing is to put force on the side of righteousness, at least for the present, and then go on, of course, cultivating the spirit of philanthropy, and good-will, in the hope that we shall have to use force less and less as time goes on.

Let me say in conclusion that it seems to be the destiny of the United States to lead in this movement. The United States is the greatest league to enforce peace known to history. It is also a demonstration of the fact that all the peoples of the earth can come here and live in peace under one form of government. The chief value of our government is its demonstration of the kind of government under which the peoples can live peaceably. Every president of the United States has advocated peace through justice. Cannot Woodrow Wilson, if he has the courage, the statesmanship—we know he has the vision—when this great world war is over, do for the world something similar to what George Washington did for our states when the Revolutionary War was over? If we learn nothing from this war, we have got to go back to competition in armament, and that means that the armaments go up until we come to the next great war. On the other hand, if we succeed, the tendency will be to have the armaments go down. We must have the universalization of the Monroe Doctrine by making every democracy safe and protected against subversion of its government. We have now to choose between the Europeanization of America and the Americanization of the world.

## WORLD LIBERALISM <sup>1</sup>

LINCOLN COLCORD

Public Ledger, Philadelphia

**W**E are living today at the close of one era and at the beginning of another. The world has changed overnight, has changed radically and irrevocably, and can never again be the same world. Old gods are falling from their pedestals; new gods are rising on every hand. The change will be more complete and fundamental than the change which followed the French and American Revolutions, because today all the forces of western civilization and all the hopes of human society seem to be involved in the struggle, because we understand better now than we did a hundred years ago the significance of such factors in the problem as labor and capital, the meaning of industrialism and even of democracy, and because we have a clearer sense of the relation of these factors to history and war. Thus the change will be deep, searching and constructive. And yet it may not be remarkably apparent, for it will be a change mainly of ideas. In fact, do epochal changes in society ever become immediately apparent in the physical life of humanity? One era merges into another, the scale ascends or descends by slow gradations, and the day after the revolution is very much like the day before. See how naturally man takes to industrialism, and gives up his age-long grip on the soil. See how easily he shifts from a simple pioneer environment to one of great complexity. He did not notice when the whole world changed. The turning-points in history escape the eye of the contemporary generation. They are as hard to visualize as is the hour of death to the healthy man. Only the watchers at the bedside, the historians of the future, can state the exact hour when an era breathed

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, Long Beach, N. Y., May 29, 1917.

For introductory remarks at this session, see page 154.

its last, or are able to comprehend the vastness of the change from life to death, from the thing which was to the thing which is no more.

So a great era is passing, and we must look sharply if we are to grasp the true import of events. We who are in this room tonight, unless we fall in the war, shall in all probability have the magnificent experience of living in two worlds—of being born and reared and educated and of establishing our lives in one world, and of finishing out our work in another and a quite different world, a world as yet unborn. We shall have the inestimable privilege of helping to create this different new world, for it is to be born out of the ideas of men and out of their fierce love for truth and brotherhood. And the best news I know is that new and untried men shall have a hand in this undertaking, and that in the crash of the old order and the temporary freedom of the human spirit from traditions of organization, ideas may stand out in their real importance, and the true statesmanship of visionaries may come into its own. I have faith to believe that we shall see something practical accomplished yet, after the disastrous unpracticality of our promoters and organizers, and some sound progress at last, after all the false progress of recent generations. "The world is not bad," writes Madame Breshkovsky from Siberia; "it is only young, and comes from one degree of comprehension to a higher one."

We stand face to face today with a civil war of western civilization. Nations of the same stock, of common root traditions, of fairly equal grades of social development, are busily and efficiently engaged in destroying one another. How did it happen? What does it mean? Does it mean, in its whole application, the fight of democracy against autocracy? Does this explanation entirely cover the ground? The argument will not bear a candid analysis. It is unnecessary to go into detail, for the conquests of democracies are written on every page of history; it is sufficient only to point out that the United States has not hesitated in the past to acquire territory by force of arms, and that she did not pause in her career of expansion until she had fulfilled her territorial destiny. Perhaps the

day of predatory policies has gone by, and the democracies of the world will never again seek expansion by conquest. We hope that this is true; although we shall need to see a democracy willing to give up conquests in the cause of international welfare, before the ideal has been strictly proved. But we are speaking of the origins of the war, of the state of democracy before the great awakening. We are trying to grasp this elusive secret of international discord, this strong and constant force which runs through the life of democracies as well as of autocracies, which excites their rivalries, which drives them into encroachments and discriminations, which steadily tends to turn and defeat the aspirations of mankind for liberty, freedom, equality, fraternity, and which, in short, obscures those very purposes for which democracy itself was first called into being.

So the trouble plainly comes down to the fact that we cannot yet have found the true democracy. We are too apt to think of democracy as a modern ideal, as a fixed and achieved political entity. There has always been a measure of democracy in human society; democracy is as old as man. The savage had it in elemental form, when he elected the natural leader as headman of the tribe. Real autocracy first came in with barbarism, with the growth of wealth and a simple form of industrialism. Through this development struck the Greek idea, the first definite conception of a republican state, an idea sound and philosophic up to the limits of human experience. But now, with less intellect, perhaps, but with more experience, we are able to see that the Greek idea was lacking in the deepest fundamental, that it had no adequate conception of the equality and brotherhood of man. Then came the Christ figure, bringing its new message, almost the only new message which mankind has received in the last two thousand years—the message that the last shall be first, that the stone which the builders rejected shall become the head of the corner, that the secret of life is love—democracy again, in full expression now, for democracy is far more a religion than a political philosophy.

Since that day, we have been striving to catch up with this great new message; and little by little as we have advanced,

industrialism, beginning in the primitive arts and extending down through the long period of simple handicraft, always making wealth and contemporary with one form or another of autocracy, and always charged with the potential force of a gigantic new autocracy that should at length suddenly be loosed upon the world—industrialism, like a forbidding shadow, has kept ahead of us and clouded the way. Coming down to the time of the French Revolution, we tried with one bound to leap the gulf that divided us from the living truth, but found that we had not strength enough, and allowed ourselves to be led astray by the fascinating figure of Napoleon. A little later America seemed for a while destined to outstrip the danger; but strangely enough, through no apparent fault of ours, her purposes, too, became lost before long in the common obscurity of new and inexplicable developments. How heavy this shadow has been upon us for the last half-century, we are only now beginning dimly to appreciate. For it is during this period that science has finally won the long battle with nature, and industrialism has burst upon the world with its full force and inevitability, with its frightful capacity for disaster, and with its unique and splendid promise of deliverance. The first two items already have been fulfilled; the last remains for us to realize. If we fail now, the world fails, and humanity fails.

Today Russia has spoken, and in her utterance gathers the whole significance of the war. Through the splendid Russian Revolution, the French Revolution has at last come into its own; and hand in hand with America, Russia now stands ready to take the next step onward for democracy. I have said that it is difficult to determine the historic value of contemporary events; but perhaps the factors are different today—perhaps our enlightenment is greater, or perhaps the events are more stupendous. However this may be, I think there can be no doubt that, even if it were to fail for its own generation as did the French Revolution, history will mark the Russian Revolution as the end of our old era and the beginning of our new.

The great world war through which we are passing has suddenly precipitated many problems which only a few years

ago were safely held in solution. It becomes fairly evident that an era of acute industrialism has taken western civilization unawares, and swamped a financial structure created in non-industrial times. The trouble centers in the banking system, in the manipulation of credits. The overturn which industrialism has brought about in modern society is precisely this: that the center of actual government has to a considerable extent shifted from legislatures and executives and other embodiments of the principle of sovereignty, into the hands of new agencies, whose powers have not yet been properly defined or understood. For the main function of government ought to be to direct the creative energies of the nation. The new agencies in modern life into whose hands industrialism has given this important governmental function are such as those that control the source and manipulation of credits, or that control the source and distribution of news. Broadly speaking, the banks and the newspapers today possess the power measurably to foster or impede the creative energies of the community.

But the banks and the newspapers are operated on a basis of private ownership, in the interest of a special class of investors. This is the whole disastrous anomaly. The enormous new wealth of industrialism centers in private institutions which control its distribution to fresh enterprise, and in this way important governmental functions have become vested in agencies whose objects are the benefit of a special class rather than of the whole community. Bankers have only to make money for their stockholders. Thus they tend to manipulate credits along conservative lines. They bolster safe and established concerns, discourage expenditures for improvements, and frown upon new enterprise and daring ambition. Newspapers, run to make money, almost universally manipulate the news in furtherance of those agencies which guarantee them the largest immediate returns. All these forces, working on a highly industrialized society, exercise an indirect conservatism which is part of the average man's daily education, and a direct conservatism which is in essence a governmental function, and which throughout the world of business



tends to blanket initiative and deaden the creative energies of the community. The predatory possessive faculties of man are emphasized at the expense of all his higher spiritual qualities.

In this set of influences lies the main support for that spirit of imperialism which animates western civilization, alike in autocracy and in democracy. The same conservative agencies which refuse to foster improvement in method and equipment, to develop the community internally to its full creative power, constantly look abroad to new territory, to non-industrialized lands, for the fulfilment of their reactionary financial dreams. Under the pressure of tightening home markets, there is always the lure of big and safe money in the undeveloped regions of the world. The whole system, with privilege in its pocket at home, depends for its life upon expansion, upon conquest of foreign opportunities. It cannot remain at rest; no human force can remain at rest. To expand naturally at home, it would be obliged to free the creative energies of the community, and that would automatically destroy its special privilege. The final step is obvious: foreign opportunity, once secured, must be cemented by sovereignty, and the home government is called upon to run up the flag.

Here we have in brief outline the primary cause of any trade war, of any manifestation of imperialism. There is no reason why nations cannot peacefully compete in trade in the markets of the world. It need not hinder their development. They could easily enough expand in trade beyond their geographical boundaries, and control the markets of the world by the measure of their energy and creative ability, rather than by resort to arms. Why must they be aggressive? Where in all theory or practice is there justification for the belief that the spirit of nationalism and the spirit of conquest go hand in hand? Why cannot strong nationalisms live side by side, highly competitive and yet in perfect harmony? How have we fallen into the notion of thinking that competition in trade is a thing to fight over, while competition in the arts and sciences is a thing to agree upon? What hinders us from agreeing as well over competition in trade? We have already

answered these questions. Nothing stands in the way of true internationalism but an archaic tradition and a reactionary financial system, with their control of news and education and the free springs of industrial life.

Internationalism is not by any means un-nationalism; the true internationalism can never be anything but an equable agreement between nationalisms. From now on we are to live in a world of work and organization. Those nations which, man for man, are not willing to work so hard or to organize so efficiently as their neighbors, will inevitably die an economic death. Tariff walls, wars, even victories will not sustain them. Nothing will sustain them but the true spirit and energy of work, which means an injection of free creative impulses into an order of industrialism which western civilization has allowed to grow mainly on the material side.

This brings us directly to a consideration of modern democracy. The chief trouble with modern democracy has been the fear of executive authority. This fallacy gained credence after the French Revolution, was written into the American Constitution, and has lasted even until today. Political freedom has been confounded with freedom from definite authority. Liberty has been confounded with lack of discipline. Political systems have grown and thriven on this tradition; and it has been only within the last few decades that the people have discovered that in denying authority to their elected executives, they have created a far worse power than the one they feared—a vague, indefinite autocracy, that could not be either found or made responsible. Since that discovery, the people have dashed frantically in this direction and that, in search of their lost liberties; they have tried various reforms and panaceas with no results; but all the while the unconscious development of democracy has proceeded soundly along the lines of centralization of executive power. And now the war has brought the question to an issue, and executive authority is seen in its real and normal perspective, as a simple application of life to government.

There is nothing inherently unsocial in the principle of authority. Authority is life itself, the source of energy and

achievement, the secret of social organization. When a piece of work is too big for the authority of the individual, then he must delegate it. Government is delegated authority. It is only when authority is not sure of itself, when it has been exceeded or usurped, that it becomes a menace to society. This is what we mean by autocracy. But delegated and responsible authority cannot be too strong. Authority is natural leadership; men have it by virtue of personality. The problem for democracy is not to limit authority, but to find its natural leaders and give them rein. They will not come forward unless they are free to act. Free authority is the true servant of the people, whereas circumscribed authority is an insidious autocrat. The hereditary autocrat is closely circumscribed, both by tradition and by fear; he is free to act only in one direction. Between a delegated authority and an hereditary authority there lies all the difference between democracy and autocracy. The only power strong and free enough to cut through the mesh of modern industrialism, to stand up against the conservatism of wealth, to control the spirit of privilege and imperialism, is the people's power, the power of a delegated authority.

The true democracy does not aim to standardize human nature, but rather to sharpen its differentiations. It does not aim to pull its leaders down, but rather to exalt its leadership. Why be so inconsistent? This is the way we live. This is what individualism means. Democracy means it, too, if it means anything. All else is merely canting phrase or political humbug. The highest, farthest aim of the true democracy must be to make all men aristocrats, artists in life, lovers of truth and reason, and searchers for enlightenment. For only the true aristocrat can be the true democrat. He alone is wise and generous enough both to govern and to submit to government.

The war has organized democracy. And now they are talking of a trade war after the war. False democrats are looking back with longing eyes to the recent era of industrial disorganization and social inefficiency, and loose thinkers everywhere are catching up the cry. They are telling us that

democracy will never be able to retain its organization beyond the period of the war, that in fact it should not retain it, and that if we do not prepare by tariff pacts and discriminations against the future, Germany will soon be again winning the fight for trade.

Is it possible that this is all that we have learned? Are human freedom and liberty to be bought only at the price of inefficiency? Must democracy always prove inadequate in time of crisis, and temporarily assume the forms of autocracy for her salvation? Shall she allow herself to be placed in the dishonorable position of taking over her competitor's organization to crush her competitor, so that she may return in safety to her former state of disorganization? How does such unsound doctrine gain a hearing? How are men willing to confess such poverty of ethics?

No, democracy is to hold what she had gained, and in the war after the war win on her merits, or not win at all. She is to win through organization, not in spite of it. She is to win through trade and industrialism, through their wonderful possibilities of leisure and enlightenment when they shall be utilized for the benefit of the whole community, and through the new birth of the arts which is certain to follow these late dark ages of democracy. Literally, there is no escape for her on the economic field. If you crush your competitor, a new competitor arises. The idea has got abroad, the virtues of the organized state have been shown to the world. It is for democracy to surround and encompass this idea, to make these virtues her own. There can be no danger so long as her organization remains in the control of delegated authority.

This, I submit, is world liberalism; I cannot see the problem in any other light. Let the democracies find their true statesmen, let them subject their organization to natural leadership, and their leaders will attend to the organization of the world. I believe that this is to be the trend of the future. The war has searched out the vitals of democracy, and now America is about to stand the test. Some of the methods of the administration may be open to question; some of the daily events at Washington may be fit subject for criticism and disapproval;

but I think there is no doubt that over and above such transitory matters, the President's larger policies already have emerged. History will remember these, and forget the rest. It is no light thing that America in this great crisis has found a leader able to seize hold of the future, to grasp the inevitable—a man who has come through much thought and study to a willingness to accept authority, who dares to overturn the entire tradition of American foreign policy, who has at last thrown the United States into the affairs of Europe, and who is at the same time one of the most uncompromising liberals the world has ever seen.

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## ECONOMIC ACCESS AND NEUTRALIZATION OF WATERWAYS <sup>1</sup>

J. RUSSELL SMITH

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**N**ATIONS are perishing for the want of geographic imagination—imagination wide enough to comprehend and act upon the fact that we live in a world as well as in a country. Economic access and neutralization of waterways is a half-idea. The whole idea is a league to enforce peace.

From Adam Smith's day the fabric of economic theory has been the division of labor. It has revolutionized industry; it has revolutionized trade; it has revolutionized war. It is the application of division of labor to war that has made it so terrible. This same division of labor, by increasing our goods, has helped to a manifold increase in the numbers of men in the western world, and it holds the possibility of again multiplying our number and our comfort many fold. This has come about through the regional division of labor and ocean trade, giving the men of one place access to the resources of all the world.

We have spent a century building up a world trade and a world interdependence, until finally it has got to the point where not only our comfort, but actually our physical life depends upon continued access to the sea and lands oversea. Witness Belgium where with access to the sea cut off the population is saved from starvation only by the charity of governments and individuals working through the highly organized Commission for Relief in Belgium, depending upon the future for its pay. The fate of Belgium would come even more quickly to New England under the plan of conquest laid down by the German general staff, which is to cut America into two

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

parts along the natural defense lines made by the Potomac, the Susquehanna, the Hudson, and Lakes George and Champlain.

Grant continued trade, as of 1913, and the population of our western world can yet increase several times over. But it all depends on access to the sea and sea trade. This means that access to the sea and peaceful trade is the greatest thing in the world, for upon analysis the object of everything is a chance to live, a chance to live a more abundant life. If one life is precious, ten lives are more so, ten million much more so, and one hundred million yet ten times more so. This possibility of more numerous lives and the more abundant life has come to us through modern science with trade and economic access to a temporarily neutralized sea. It must be permanently accessible and permanently neutral. Block a people off from the sea, and they perish. Two generations hence, with increased numbers, they would perish yet more quickly. Therefore the preservation of the life of peoples and the utilization of this earth as the home of man depends upon the uninterrupted flow of goods across the sea, the world highway which connects the many parts of the world and makes it one. A people should have no more question about their access to the sea than a New York store has about access to the street. And any particular nation should have no more control of the sea than the store has of the street, namely, the power to go and come freely and to treat all others properly and equally.

How shall this economic access be guaranteed? How shall the waterways remain open and neutral? There is but one answer. It must be done by government, and governments act through force. We have been depending upon a flimsy thing called international law, which upon a real testing proves to be but a pious wish like the Golden Rule, upon which no people depends, but seeks its guarantee rather in statute, in government, in organization, all resting eventually upon force—the force of the policeman, which merges by indistinguishable grades into the force of armies.

The disillusionment of the world in the discovery that international law was but a scrap of paper, accompanied by the indubitable proof that we had to have access to the sea or starve,

has brought into the foreground of present politics that which, three years ago, was a distant dream, namely, the demand for world government, some world authority capable of making laws that nations must obey. We have suddenly discovered that this world, unified by a world's trade, upon which the very life of some peoples and the comfort and independence of all depend, must have a ruler, and the question now is, shall the ruling power be a nation acting with the irresponsible power of a despot, or shall the rule be exercised in the better way—by agreement of all, acting through some kind of international government or super-state? This much-desired step is, after all, but a natural next step in a world where government is one of the universal habits.

Government has been gaining ground of late. Witness the United States. In 1789 thirteen independent nations became one nation, and peace has prevailed save during the period of the Civil War from 1861 to 1865, when certain parties tried to break up the league by appealing to armies rather than to votes. Italy, which was recently a group of independent kingdoms, has become one kingdom. Germany, which was a group of states of various sizes and kinds, has become one empire, a belated follower of France and of the United Kingdom in the process of unification. We need but one more step in the unification, and seven or eight powers can keep the peace in the world as easily as the United States keeps the peace among the forty-eight states of this country.

Despite this progress of government, and this hope of peace, we must not forget that anarchy, tempered by the proverbially short-lived and impotent gentlemen's agreements, is yet the present basis of international relationships. We hope to banish it by the threat or use of irresistible yet just force exercised as the result of deliberation.

We must not deceive ourselves by thinking that such a plan of peace-keeping can work by being limited merely to the neutralization of the sea. That might be satisfactory for the United States, for Japan, for England—countries that sit securely in the midst of the seas—but what of France or Holland, Germany or Austria, countries that can be menaced alike from land and sea?



War is now the struggle of whole peoples, not the combat of champions. The line between the civil and the military is in an economic sense impossible to draw. Even a child can make munitions of war, and a contract Chinese laborer might be of more aid than the most characteristic of nationals. The giving to a nation such as Germany free commercial access to the sea might mean that she is strengthened for land operations in which all the cruelties of encroachment, of tyranny, of conquest and of subjugation may be practised. Therefore the neutralization of the sea has a qualitative aspect. It is open to those who obey international law; otherwise they must be imprisoned at home within their own boundaries. Access to the sea must at certain times and under certain conditions be denied to certain countries whose actions on the sea itself might be absolutely harmless. If, for example, we grant that the attack upon Belgium was a violation of world good manners, that the attack upon Serbia was another, the guarantors of the neutral sea must deny the offending countries access to the world sea until they have been brought to terms, which is therefore a land and a sea operation, an application of world government to the culprit through the full-fledged and perhaps cyclopean military operations of a league to enforce peace. Such operations, enforcing such a concept, bear surprising resemblance to the present situation in which almost the entire world is trying to defend itself and also France and Belgium against what seems to the rest of the world an unwarranted attack closely analogous to the depredations which strong and conscienceless animals have for ages been making against weaker and relatively defenseless animals.

The sea, therefore, cannot be considered by itself. Economic access to the sea and the neutralization of the sea are parts of the concept of world government which must include both land and sea if the nations of the world are ever to come to the point where they can settle down in peace and feel as free from attack by one another as do the present states of the American Union. This is an ideal for which men of intelligence must work by the propagation of ideas, and which they must later firmly and continuously uphold by a league of peace armed and

ready to fight to the point of holding in awe those who menace its peace. That plan is identical with the method followed within every American state and every civilized nation—but the units here are individuals and non-military corporations, while the league to enforce peace must deal with the much more truculent unit, the nation or even alliances of nations.

It is a peculiar fact that such a league of peace will be peaceful just as long as its members are resolutely warlike, and not divided into nearly equal camps. The nation which is sure it has to fight the rest of the world will keep the peace. Hence the importance of public opinion. If some strong nation is uncertain as to world opinion, it might be willing to undertake a war for its own ends. Granting that Germany started this war (as most of us believe she did) it is reasonably safe to assert that she thought she was dealing with a chaotic dis-united world that she could conquer piece by piece. It is scarcely to be supposed that the German administration would have precipitated or permitted war had it been able to foresee the world aligned against it as at the present moment. Therefore the object of American public policy at this time should be to bring the world to such a condition that any nation starting a war unauthorized by the group would find itself the enemy of a world even more hostile than that in which Germany at present finds herself. The alternative of the past—anarchy and right of conquest armed by modern science and industry—is so dreadful that it should drive a thinking people into such concerted action.

Granted such a guaranteed peace, the human race can proceed to develop industries and society along the lines dictated by natural factors, especially climate. History and scientific investigation seem to agree that this line of natural development should be the clustering of urban and semi-urban manufacturing populations in great numbers in regions of good commercial access and wholesome and stimulating climate such as western Europe, the eastern United States, and the shores of the north Pacific. From the centers of population there will be a huge trade with regions less favored by location, resources or climate, but able under conditions of order to produce vast

quantities of food and raw material to exchange with the regions of concentrated manufacturing population. It is to the economic and perhaps to the social advantage of the race to make more regions like Massachusetts or Connecticut, which cannot feed themselves one month in the year. But this fact of dependence shows how vital to human affairs is the establishment of order in the world and of access to the world highway—the sea.

As to order, the examples of Haiti and San Domingo are most opportune. By the Monroe Doctrine they have been protected from foreign conquest. By the interventions of the United States forces, they have been protected from some of the extremes of internal disorder—private conquest from within. The so-called republics of Haiti and San Domingo have been through a course of treatment that is strikingly analogous to that of a delinquent family in any well-ordered municipality. They are excellent exhibits for the world organizer. The example of Haiti needs but to be extended to another hemisphere, made somewhat more judicial, and the small nation is protected from both conquest and chaos.

The adoption and enforcement of such a policy, with the removal of the right of national conquest, would make easy and natural its corollary, namely, free access to the sea for the landlocked peoples. Here again we need only to spread to all the world practices already working to complete satisfaction in America. With the lust of world dominion under control, and free commercial access to the sea guaranteed, Germany has no more need of Holland and Belgium than Canada has of New England in January when her trade goes out through Boston and Portland, or than the United States has of Ontario and Quebec in June when our trade goes so freely down the St. Lawrence.

Just as the street or the country highway is open to all individuals in a modern community, so must the sea be open to all nations, the members of the world community. Just as the individual has the right by condemnation to buy an outlet to the policed and protected public road, so must the landlocked nation have the right to untaxed outlet to this all-im-

portant sea. The security of the outlets to the sea for Switzerland and Serbia, for Russia and Canada, whether railroads, canals, or Dardanelles, should be as much the military concern of all nations as is the personal safety of the chairman of a meeting the concern of his audience if he should be physically attacked by one or more individuals.

The extension of government until it is as wide-reaching as trade is the great task that economic development has imposed on human intelligence at this time. Intelligence must mobilize itself.

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## THE UNITED STATES AND THE FOOD SUPPLY OF SWITZERLAND <sup>1</sup>

PAUL RITTER

Minister from Switzerland to the United States

I CAME to this conference to listen to its deliberations, and to extend a farewell to old friends and acquaintances made during my eight years of service as representative of the Helvetian Republic. But I cannot lose this opportunity of calling your attention to a matter of vital importance to my country. I have been asked in this very room if the food question was really of vital importance to Switzerland and if many of the American exports into Switzerland were really re-exported to Germany, as has frequently been stated in the American newspapers. That question gains significance when you remember that there is an embargo bill just now before Congress.

In answer, I shall take the liberty of reading into the record part of a statement which appeared some days ago in the *Journal of Commerce*, from the pen of Mr. Eugene Suter, a patriotic Swiss merchant living in New York:

The proposed amendments of the embargo section of the espionage bill portend disaster to my native country, Switzerland, as their enactment would condemn that country to starvation. It cannot be the intention of the sponsors of that bill, much less the will of this great sister republic, to bring about the destruction of an innocent, peace-loving people for the mere sake of enforcing the complete isolation of Germany.

Switzerland's very existence is dependent on her ability to trade with all belligerents. She has with great difficulty satisfied England and France of this necessity. Lengthy and repeated conferences with British and French commissions finally resulted in an understanding of this, her present position. The agreement reached with

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these countries, which has been in force since the early days of the war and which was modified from time to time to cope with new conditions, is ample proof and constitutes a full recognition by the Allies of that fundamental necessity.

The United States may have a right to demand that Switzerland stop her dealings with Germany, if she will see to it that Switzerland is supplied from here with such indispensable materials as coal and iron, neither of which the Swiss can obtain at present from anywhere else but Germany. Without these supplies Switzerland cannot exist, and as long as she must procure them from Germany she needs must furnish some of her own products, mostly milk and cheese, in exchange.

The extent of this exchange between Switzerland and Germany has been limited to a minimum, and even so, the arrangement means a great hardship to the Swiss people, as they have to sacrifice their own comforts in order to fill their most urgent requirements in raw materials. All imports and exports are closely supervised by the Swiss Import Trust, (*Société Suisse de Surveillance*), a government organization whose duty it is to see to it that the agreements with the Allies are strictly observed. Under its control practically every pound of imported merchandise is accounted for. No goods find their way into Switzerland without its sanction. And needless to say, authority is granted only upon proof of absolute necessity.

The deliberations now taking place in the Senate over this embargo bill disclose misunderstandings of Switzerland's position, and the passage of any of the proposed amendments would be nothing short of an indictment of an innocent and already severely tried people. It would deny the right of existence to a nation whose ideals resemble most those of the United States. It would seal the fate of the oldest of all republics, of the very country which has the exclusive right to the claim of parentage of democracy; it would annihilate the six-century old champion of independence and liberty.

Few people over here seem to know what the Swiss have done in the way of offering relief to war sufferers on both sides. True charity hates publicity, and it never has been said of the Swiss that they advertise such deeds. I mention this merely because I think that a better knowledge of what is actually going on in Switzerland would help to correct a wrong impression which is being created by the American press through the dissemination of reports that the Swiss republic is helping Germany, because some theorists in Washington have come to the conclusion that this must be so since that country

has become such a heavy purchaser in the American market. If Switzerland buys five times as much wheat from the United States today as before the war, it is simply because she can no longer get the other four-fifths from Russia and Rumania, as she did formerly.

Giving Switzerland a chance to present her side of the case will serve a double purpose; it will avert a great disaster and it will reinstate a friendly but misjudged country to its rightful place.

In conclusion, let me add that I have felt much at home in this assembly, not only on account of its proceedings, but also on account of the Red Cross flag draped on the walls. The Red Cross in the white field is nothing but the reversion of the national Swiss flag, the white cross in the red field. The emblem of the red cross was chosen when the society was founded in Geneva half a century ago by the Swiss citizen, Henri Dunant. For us Swiss, the Christian cross means charity, the white signifies the immaculate eternal snow on the crest of our natural mountain strongholds, and the red means the blood Switzerland has shed and will shed, if necessary, for the maintenance of that highest treasure of true democracy—liberty.

## LABOR AS A FACTOR IN THE NEWER CONCEPTION OF INTERNATIONAL RELATIONSHIPS <sup>1</sup>

JANE ADDAMS

Hull-House, Chicago

**M**AY I begin by re-stating my subject? Owing doubtless to the general illiteracy of Chicago, a telegram reached me in such a state of confusion that I thought I had been invited to speak on Labor as a Factor in the Newer Conception of International Relationships. This combination of a sub-title with the leading title of course, was very long, but it seemed to me no more complicated than everything else which pertains to the vexed problems of international readjustments. With your permission I will keep it.

I shall not undertake to speak for organized labor, because as you well know, the more than twelve million men the world around who are organized into trade unions, hold their national conventions annually and for many years have maintained the custom of sending fraternal delegates from one national convention to another. Trade unionists are, I believe, a great factor in forming newer conceptions of international life, and although they, like other men in this day and generation have been swept from all other ties by a strong nationalistic loyalty and are in many cases fighting against each other, they still hold their common body of doctrines and their mutual interests. Many of them believe they will eventually become reunited upon the basis of a broader conception of internationalism. They are taking care of themselves, but I should like to speak for a few moments for that other very large body of unorganized labor, ordinarily designated as "immigrant labor," which is manifested every year in large migrations of men from one country to another. Those of us who know Italians

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hear many stories of their compatriots who go every winter to South America. By the simple device of crossing the equator after they have garnered their own crops, they avoid the cold in both hemispheres and are always earning money. You easily recall the Ruthenians, who go every year into Germany to gather the crops there, and many other migrations which I need not enumerate. I will only remind you of our own immigration figures; that in 1914 something more than a million immigrants entered the United States and during the same year a very few less than half a million returned to their own countries. At times an Italian can go from Chicago to Naples for \$26.60, and if his children are little enough to go free, it is often cheaper for him to take his family back to Naples for the winter than to pay a coal bill in Chicago. Of course in this mobilization of labor, many men are engaged on an itinerant basis, without reference to the standard of living in any country, although a recent proposition that Chinese men and their families should be brought into Montana and other western states, in order to supply the shortage of labor due to the war, was rejected on the ground that the American standards of living might be permanently lowered.

The result of this constant migration of labor is a network of personal acquaintance and kindly relationship on an international basis, which, I imagine, none of you adequately realizes, unless you have seen men who have been divided for centuries by language and religion, fusing together in the marvelous way we constantly see in the settlements. So far as labor is mobilized and annually crosses from one side of the world to the other, there is doubtless forming at the very base of society a new conception of international relations.

I should like to draw your attention to the fact brought out earlier at this conference, that by no means all of this migrating labor is free labor. We were told, at one of the sessions, of the indentured labor in the West Indies; at another, the speaker referred to ten million black men who had lost their lives, exploited by Europeans in South Africa. This tragedy was a result of the same sort of ruthless exploitation as has been applied to the rubber workers in the Congo,

or to the diamond workers in the Kimberly mines. There has, however, come into the minds of many persons during the past few years, in regard to this exploitation of labor going on all over the world, a belief that such labor is entitled to protection, and that when certain bodies of men liable to exploitation live under governments that are not able to give it to them, adequate protection should be provided on an international basis. Why should not labor in a country like South Africa be put under international protection exactly as publicists are recommending that certain sections of the globe which seem to afford so much temptation to rival nations that they cannot stay out of them, should be thus protected? You remember that Mr. Lippmann has urged that certain specified localities should have international commissions to take them in charge, because apparently their resources, unprotected by a stable government of their own, were too much for human greed to withstand—or shall I say plain human nature, instead of human greed? International commissions for special purposes are not without precedent, and some of them have been maintained in the face of many difficulties. As you know, an international commission has continued even throughout this devastating war to take charge of the commerce of the Danube, as the big river flows past belligerent states.

Other specialized international commissions have been suggested. Professor Hull advocated at this conference that one should be appointed now to sit throughout the rest of this war, in order to take charge of the conquered lands, at least so far as lands conquered by the Allies are concerned. He contended that it would be much easier at the end of the war to dispose of these lands in an equitable manner, if they were being administered by an international commission, than if they were held by the particular nations which had made the conquest. If the German colonies which are now held in South Africa by the British could be taken over by a special commission until the war was ended, and an international conference on terms of peace could decide what to do with them, that in itself would be a great gain.

Might we not propose a similar international commission for the protection of labor which is now under governments too feeble to offer protection or which is so migratory that it cannot properly be protected by any one government? What would be more natural than to begin the new international morality, so sorely needed, with that simple impulse to protect the weak which, we are told, was the beginning of individual morality, as the defense of women and children in the tribe was the beginning of the national morality of which we are now so proud? Beginning naturally with defenseless labor, such international commissions might in time even take care of other things beside labor. At the present moment it seems absurd, does it not, that it is impossible to build a railroad to Bagdad, to provide corridors to the sea for landlocked states, or to secure warm-water harbors for Russia, without involving the world in war? Many of us believe that this war, as so many other wars, is not so much the result of quarrels between nations, as of an unsuccessful endeavor to obtain through war that which could not be obtained in times of peace because no international machinery had been provided through which we might solve world problems which had become intolerable and unbearable. We are told that in all civilized nations statesmen are longing for some sort of international organization which will enable them to take care of complicated situations sure to arise during the coming years, as they have arisen in the past. Why might not statesmen begin with international protection to simple people whose labor is constantly exploited?

There are three great human instincts or tendencies, exhibited in striking degree by laborers, organized as well as unorganized, which I believe will in the long run result in finer conceptions of internationalism. The first, the Russian peasant Bondereff defines as the instinct for "bread labor." The peasants all over the world magnify and consider obligatory that labor on the ground which is destined to feed a man, his family and his neighbors and, so far as he is able, all the people on the face of the earth. When our committee from the Women's Congress at The Hague was in Austria-Hungary in 1915, we were continually told stories—which we received

with a grain of salt because related by Austrians—of Russian soldiers who throughout the spring had been made prisoners easily because they had heard that war prisoners in Austria were working upon the land. The Russian soldiers had said to their captors that now that spring had come they must get back to work, and that they would like to be made prisoners at least long enough to put the seed into the ground. Such stories may have been exaggerated, but certainly they are not alien to the temperament of the Russian peasant, who believes that "bread labor" is his sacred duty, and who, longing to go on with it, regards war as an interruption of the main business of his life.

There is another characteristic of human nature which I believe counts in the same direction—that which Professor Veblen has designated as the instinct of workmanship. Mr. Wells has recently told us that this war is a destructive and dispersive industrialism, which has taken the place of the constructive and accumulative industrialism with which we are all so familiar. Accepting this definition, it is of course an open question how long mechanics will be able to go on with this reversal of the experiences of a lifetime, how long they can continue to defy and outrage the training they have received as apprentices. One of the British commissioners told us a few weeks ago, of having been sent on a committee to France in order to take out of the trenches skilled mechanics who were much needed in the munitions factories at Sheffield. He said that the response on the part of the men in the trenches was very touching and impressive. The fighting mechanics were hungry for "the feel of tools" in their hands; they longed to lay down their muskets in order to take up the implements to which they had been so long wonted. The English commissioner did not challenge the patriotism of these mechanics, who were quite ready to fight on to the end of the war, if it was so ordered; but he was much impressed with their eagerness to return to a more normal life and to use again the implements to which their very nerves and muscles had become accustomed. Is not the instinct of workmanship a genuine factor in human existence, and one that should not be underrated in a world of internationalized industry?

There is still a third characteristic which those of us who have lived with humble people realize is highly developed among them. It is difficult to describe, and I put it much too baldly, when I call it a certain reverence for food. Food is the precious stuff which men live by, that which is obtained with difficulty at every step in a long and toilsome journey; it is the cherished thing which they have seen come into the house in small and often insufficient quantity since they were children, until it has come to have for them almost the sacramental quality of life itself. There is among simple people everywhere a revulsion against the destruction of food. In the peasant's dread of war, there is a passive resistance to the reduction of the food supply, because a peasant well knows that when a man is fighting he is not producing food, and that he and his family and all the rest of the world may be in danger of starvation. This comes to have the strength of a conscientious deterrent in some minds. I was in Paris during the Boer War of 1900, and one morning I found the street in front of the studio in which I was living filled with an excited group of French men and women. The cause of their feeling was a report in a morning's newspaper in regard to the destruction of food in South Africa, which at one stage of the war, as you recall, became part of the campaign; grain was systematically burned, as were the bodies of cattle, which were piled high and covered with kerosene. Such destruction seemed to the thrifty French impossible of belief—a horror almost beyond the horror of the loss of life to which they had grown somewhat accustomed during the war.

The need of feeding the young, which the workman is obliged to think about all the time if he is to rear his family at all, goes back to primitive times when men's lives depended upon their ability to garner the harvest. In the present disordered state of the world's food supply and in the interruption of the orderly exchange of those commodities upon which the whole world has come to depend, the fear of famine has returned into the world with many other primitive and half-forgotten fears. This concern for the common food supply may prove a factor in what I should like to believe is at least the

beginning of a basic conception of international life. The hope comes to me sometimes that in these dark days when men are being thrown back to their earliest and most primitive experiences there may be an opportunity to lay over again the old foundations of morality. The instinct to protect the men who are being exploited to the point of extinction is certainly very similar to that instinct which led the tribe to protect its weakest members. If we are forced to exchange food with our alien enemies, it might be analogous to those first interchanges between tribe and tribe, when a shortage of food became the humble beginning of commerce and exchange. Such a conception of international relationship may be sound not only because it is founded upon genuine experience, but because it reaches down into the wisdom of the humble.

I hope I have not stretched the use of the word "labor." We have long been accustomed to think of labor as organized by skilled men; but after all, there is a great deal of labor in the world, of hard, unremitting toil, carried on by men who are totally untrained, many of whom have no opportunity to attain to a higher standard of life except as it is assured to them through some sort of governmental action.

Such a beginning of a newer conception of international relations and more basic international ties, is totally unlike the mid-Victorian notion of organizing the world through a conference of wise men, quite unlike some of the newer plans which are being put forward and for many of which I have the keenest sympathy; but whatever new international organizations may be consummated, it is not impossible that the international morality upon which their usefulness depends, will begin, as individual morality has begun, with the simple function of protecting the weak and of feeding those who are hungry.

## SOCIALISM AND THE TERMS OF PEACE <sup>1</sup>

MEYER LONDON

Congressman, Twelfth District of New York

**I** INTEND to speak about intelligent labor, labor with a philosophy, the sort of philosophy that is known throughout the world as socialism. I shall speak of socialism as a factor in international adjustment.

One of the great scholars of socialism said some fifty years ago that the salvation of the world will come when the laboring class and the intellectual class reach an understanding and unity. I believe that the emancipation of the world will come when the laboring class will become the intellectual class of the world. I use the word labor in the broadest possible sense. It takes in the bricklayer, the architect, the professor (some professors), the minister (very few of them)—men who do useful service to the community. The socialists had a definite attitude on this subject of international peace and international relations, and before this world catastrophe, in all the parliaments of the world, they protested against the maintenance of large armaments, against the imperialists, against annexation, against the chauvinist, against false patriotism and a false conception of national honor. They everywhere taught that religion and the ethics of religion were absolutely worthless unless applied to life. They maintained the doctrine that it is wrong to have two codes of ethics, a Sunday code for the church, where men listen to the Sermon on the Mount, and a weekday code which involves a defiance of every principle of the Sunday code. While some of them in this crisis of the world have taken a course of action that appears contrary to their well-settled philosophy, throughout the world they dream

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

and hope today, and soon they will begin to fight to bring about universal peace.

What is the foundation of the universal peace that they talk about? First of all, they would eliminate the theory of national honor which in most cases is identical with national pride. They proceed upon the theory that a nation's honor cannot be injured by another nation; that a nation can dishonor itself by committing a dishonorable act, but that it cannot be dishonored by others. They proceed upon the theory that every nation, small or great, no matter how small its territory, or how limited the group that composes it, has the same rights, and should enjoy the same rights that are now enjoyed by the largest nations. It is rather interesting that the higher stages of civilization were reached by nations when they were numerically small. Greece, ancient Judea, in modern times England, produced their highest and noblest literature when their population was smaller than that of one of the smallest states of the Union. The Scandinavian countries in recent times have produced an incomparable literature. Greatness and bigness are not the same thing. Every nation, no matter how small or great, is entitled to the same rights according to the attitude of labor, and when the President of the United States in his recent proclamations to the world announced that every nation, whether small or great, should be permitted to travel its own life-course unhindered, untrammelled and unafraid, he but stated a fundamental principle of our socialist philosophy. We believe that the maintenance of armaments is the greatest source of danger to the world, and that this sacrifice of lives that we are witnessing today, this whirlpool of blood which is also accompanied by a whirlpool of words from statesmen, philosophers and diplomats—that this sacrifice will be in vain unless it results in a universal agreement for the abolition of armaments. All the numerous codes that the diplomats and lawyers may devise will snap at the first moment of serious conflict if the nations are permitted to maintain large armies.

I have heard some of our great statesmen, among them former President Taft, advocating—and this idea is supported



by a good many statesmen abroad — a league to enforce peace. In his scheme Mr. Taft draws a distinction between justiciable and non-justiciable disputes; in justiciable disputes the decision of the court is to be final, while in non-justiciable disputes the court is to act as a mere negotiator or a mere mediator. The theory of non-justiciable disputes is based upon a false conception of national honor, the false idea that one nation may be dishonored, insulted or offended by another. In private life, when I am offended by somebody, I avoid him. In international life the only way to punish a nation which offends against the accepted code of right is to isolate that nation from communication with the rest of the world.

Fundamentally and in the main, the address of the President delivered on January 22, 1917, before the Senate of the United States, expressed the philosophy of that part of labor throughout the world that is intelligent. In pursuance of that philosophy several efforts have been made since the beginning of the war to bring about an international conference. There were two conferences in Switzerland; there is a conference now planned for Stockholm. Of course it would be improper for me to criticize the refusal of our State Department to grant permission to three American socialists to attend that Stockholm Conference; but I must say a word about it. Let us assume the worst, that the Stockholm Conference has been engineered by the Germans; still it is absurd to prohibit British and French and American socialists from having their say at that international peace conference.

Let us not become the leaders of reaction. See what happened in France. The French socialists did their duty as men and as socialists when they supported the French government, which meant the French people, in defending French territory against attack. When the question of the Stockholm Conference first came up, the French socialists took the position that they would not confer with the German Social-Democrats so long as there were German soldiers on French territory. That precluded the holding of the conference during the war. Later they decided to participate. Why, then, should we prevent the socialists of the world from coming to-

gether and hearing the truth from honest men, so that Frenchmen, Germans, Englishmen and Scandinavians may exchange views and tell the truth to one another? It seems to be the only way to learn the truth.

Why cannot a conference of honest men, who mean what they say, come together, whether at Stockholm or Petrograd or anywhere else? It is particularly essential now, in order to help along the struggle of democracy in that great land of sorrow, Russia. It is highly important that the British and French and American socialists should go to the Russian socialists and say, "Stand with us; hold on a little while longer, fight along with us, and we will settle this world trouble, and settle it on terms which will insure universal peace."

Did any of the American papers ever tell you what was going on in Russia? Were you not astonished when the revolution broke out? Today there are people childish enough even to believe that the revolution was a sudden breaking forth of uncontrolled forces and that there was no real cause for it. A year ago, in the Duma, Professor Miliukoff, now respected all over the world, said that there is a level below which a nation cannot sink without losing the right of membership among the civilized peoples of the world, and that the policy which was being followed by the autocracy would destroy Russia. Not a word of this was heard in the American press.

In Russia particularly the socialist element has asserted itself, and has shown its strength. Do not be frightened by it, you business men. You perhaps have the idea that the Russian socialists want to take away from you what you have, and turn it over to the masses. Nothing of the sort; the Russian socialists realize that they cannot bring about a social revolution in a day. They are students and scholars; they know that progress is a slow and painful thing. In the world of international relations they are determined to fight for no false end. They want peace without annexation and without punishment for any people. They want to restore Belgium to the Belgian people, Poland to the Poles; they want to settle the question of Alsace-Lorraine on a basis which shall insure

future peace to the world ; they want to secure the rights of the smaller nationalities, of Serbia, of Montenegro, of every little group of people throughout the world. Socialism, or labor with a philosophy, labor with a faith in a better future for mankind, believes in a peace which will secure to the individual group and to the individual nation the same right that every intelligent man and woman wants to see secured to the humblest human being in every civilized community.

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## SUPPRESSED NATIONALITIES AND THE CONSENT OF THE GOVERNED <sup>1</sup>

FRANCIS HACKETT

Editor, *The New Republic*

MANY of us look forward to the time when warlike nationality will be as discreditable as warlike religion. On this account I dislike even to mention the word nationality. It is a word with an unfortunate insistence on a single aspect of human particularization. It lays most of its emphasis on the differences between man and man, and it suggests an extreme pleasure in disparaging comparisons. For the most part, the particularization of nationality comes to be a social nuisance, as well as an act of supererogation. Every healthy citizen has a nationality, just as he has an inherent perfume, but he has no great need to insist on either. And nationalism is the poorest of social programs. Rather it is no program at all, but wherever justified, the prelude to a program, having about the same relation to a creative activity as the establishment of a minimum wage. Nationalism, indeed, is a way of expressing the need for a spiritual minimum wage.

And yet we are here to consider the emphasized nationality of oppressed groups, and the degree in which the nationalist claims of these groups may be held paramount. It is not a question of our personally electing to sharpen the differences between man and man. It is simply a question of our accepting differences that already have been murderously sharpened, and of considering what might possibly be done about them.

The small nationalities that suggest the word oppression are those unhappy nationalities which have a recent imperialized

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

history. It is not Switzerland or Holland or Sweden or Norway or Denmark that one regards as oppressed, even though these little states are now clubbing together to issue forlorn moral injunctions against the deluge. In their distinctiveness these small nationalities may seem questionable to persons who want to hurry up standardization; but the real problem is not presented by such self-governing terrier nations, but by the groups that have been impounded by empire. In connection with oppression we think offhand of Belgium, of Poland, of Finland, of the Balkan states, of Ireland, of Schleswig-Holstein and of Alsace-Lorraine—and if we are particularly lachrymose and sympathetic, of the prospectively oppressed smallish nationality of Ulster. It is in regard to the nationalist claims of such balked and persecuted peoples that it is advisable to take thought.

Now that we are allied with a menagerie of other nations in a vast confused war, it might be palatable to include nationalism with democracy and the rest of it, with addenda about the libertarian importance of violating Mexico to run a railroad from Texas to the Canal. But it is simpler not to upset the issue by a prolonged reference to our allies or their vague beneficent intentions toward small nations. Considering what Russia has done to Poland and Finland and Persia, and Japan to Korea and China, and England to Persia and the Boer republics and Ireland, there need be no haste to prepare the fatted calf.

The espousal of national issues that was proclaimed by Mr. Asquith at the beginning of this war was the ordinary ritual of edifying liberalism. It was not realistic. So long as great empires require eminent domain, and small nationalities lie in their path, the overriding of small nationalities is going to be imperative, and assurances will be as empty as widowers' vows. The only world in which small nationalities could possibly be guaranteed safety would be a world in which every empire had resigned self-preference and every government had become democratized. Just so long as economic self-preference and undemocratic governments obtain, it is insincere nonsense to talk of small nations' rights under public law. That kind

of law is public only in the sense that it is vociferated. It has no bottom in consent and no domicile in the ordinary circumstances of international rivalry. The complete alteration of those familiar circumstances is the first preliminary to any talk about small nations' rights that is not merely the whang of the liberal tuning-fork.

Military necessity is the supreme consideration in the present anarchistic world, and no small nationality can hope to have any powers that might jeopardize the security of a larger state. The subjection of every such small nationality is the first requirement of empire. It may easily lead to oppression. It usually does. But however the world at large may deplore it, there can be no effective way of stopping it while the plea of "military necessity" has weight. There is no use disguising the fact that one of the appropriate features of the present international scheme is the ruthless oppression of small nationalities, or else the complementary exorbitance by such small nationalities, when they in turn see a chance to squeeze. If there ever was a general relinquishment of imperial designs, no small group would be forced to look on an empire's difficulty as its own opportunity. The present scheme of things, however, gives the greatest inducement to a small nation to profit by recalcitrance and to a large nation to resort to brutality. In the end, as we know, the likelihood of brutality is considerable, and once a large nation starts out on the road of coercion, monstrosity becomes the order of the day.

Imperial aggrandizement is the other purpose that small nationalities are required to serve. The very processes by which an empire undertakes to subject the people for military reasons are processes that can be, and usually are, turned to bureaucratic and commercial profit. Long after the military reason is forgotten, the plunderous reason remains, and nationalism is discovered by the members of the ruling race to be a pernicious small-mindedness. "Backwardness" is the excuse that the aggrandizers always find for going ahead where they can make no point of military necessity or national honor. There is undoubtedly such a thing as backwardness, the failure in weak and primitive groups to organ-

ize and co-operate. But the imperialistic remedy for backward nations is somewhat too reminiscent of Little Red Riding Hood.

In the situation it is difficult, if not a travesty of political science, to talk of the consent of the governed. Whatever the governed may desire, in their condition of military subjection and organization for profit they can obtain nothing that really resembles political independence. There is no reason in nature, for example, why an Englishman should govern an Irishman. It is, on the face of it, one of the most foolish pieces of intrusion that the world has ever seen. Yet there can be no question of complete Irish independence at the present time, or so long as English security demands a military subjection of Ireland. There are Irishmen who think the incapacitation of England is the way out for Ireland, and who expect in that fashion to attain the freedom which England now trembles to allow. But who is so childlike as to forget that another beneficent empire would immediately come along to take Ireland under its wing if only as a juvenile delinquent? The hope for Ireland abides precisely where the hope for all small nationalities is abiding, in a peace by the terms of which all imperialisms will be heroically neutralized.

Americans may not think that this concerns us, but there is no reason on earth to suppose that it does not. When military necessity requires it we are just like every one else; we are under no special natural obligation to solicit the consent of the governed. It is not merely that we have asserted our eminent domain over Colombia, and put Haiti and Santo Domingo and Nicaragua in their place, but we have practised and do practise oppression ourselves in regard to the Indian and the Negro, whenever it suits us. Don't let us forget that within a few days fifteen thousand Americans at Memphis gathered together to burn a black human being at the stake, and that as he was burning men fought each other to hack off his ears, and later carried his bloody head in triumph into the city of Memphis, and there flung it and his severed foot into the mud of the streets. Incidents like this show the oppression that almost any American community can promptly precipi-

tate. The temper of this incident is the temper of all international hideousness, even though the incident be not strictly institutional.

Where the small nationality can be so handled that its particularism is not prejudicial to the empire requiring its subordination you get the miracle which Australia and Canada and South Africa have presented. There you have the subordinate groups accepting on their own account the military necessity of the whole. To procure this result, however, there must be no economic manipulation of the subject people by a protected and privileged alien class. The agents of government in such communities must accept the idea of military necessity, but they must be representative of the people they govern, and spring from their ranks; and if they are representative in this degree there will be none of that discrepancy between governors and governed which has made Ireland and still makes Ireland the skeleton at every British love feast.

The degree to which the governed are consulted is the degree to which government is worth the support of the common man. That is the faith which the founders of this country knew to be incompatible with the concessionaire attitude of England, which the Russian people know to be incompatible with czarism, and which all of us know to be incompatible with Prussification. That does not mean of course that minorities may behave like the familiar office associate who will either have his way or resign. It is a faith that there cannot be a disastrous discrepancy of purposes if all groups are honestly consulted and the social deal is openly carried out. In respect to small nationalities, however, it is my belief that they cannot be honestly consulted so long as governments look to aggrandizement by warfare, or so long as white races look to self-pensioning at the expense of colored folk. Those of us here who are not the parasites of the ruling class ought to consider this when we talk of the rights of small nationalities. There can be no such rights in a world where men go hankering after isles in the Caribbean and already talk of exacting blood-money for the blood that their brothers are about to shed.



## LIBERAL ENGLAND AND INTERNATIONAL RELATIONSHIPS <sup>1</sup>

S. K. RATCLIFFE

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**I**F there is one circumstance which makes me realize my great fortune in being allowed to address this conference, it is that I am asked to follow my friend, Mr. Francis Hackett. I should not be surprised if he felt a kind of malicious satisfaction in my having to speak after him, for he realizes that I am the only delegate at this conference belonging to the nation whose policy he has so vividly characterized. He knows also that I am one of those associated with "the customary ritual of edifying liberalism," and too many of my editorials have sounded "the whang of the liberal tuning-fork."

I belong to that section of English opinion which was converted thirty years ago to the principle of self-government for Ireland. While I do not think that England has done its best to settle the Irish problem, what I do say is that those in England who have been convinced that there was only one solution for the Irish problem have not been assisted as they should have been, either by their own leaders or by the leaders of opinion in Ireland, to do their best to get the thing out of the way. We have a dual complaint against those Irish patriots who have been urging their own countrymen toward the home-rule solution. The first is that they themselves have been given over so largely to the keeping alive of international recriminations, and to that violent kind of nationalist agitation of which Mr. Hackett so accurately spoke. Secondly, they, like ourselves, have failed to deal directly with the problem within the problem. Instead of looking at Ulster and facing the facts of that small, exclusive, and fanatical community,

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

they acted as though it didn't exist. It was our business to understand what Ulster was, and what Ulster meant, what Ulster would take and would not take; it was their business to persuade Ulster with regard to the future of Ireland.

In this connection I am reminded of a jibe of Mr. Hackett's as to the British treatment of the Boer republics. The fact I believe, that the world first of all remembers about the Boer republics is that after we had made an aggressive war upon them, we did our best to redeem the past. Here is a story you may like to have. When the subject of the future of the Boer republics which had been incorporated in the British Empire was being considered, the then Liberal prime minister, Campbell-Bannerman, was talking with a distinguished Canadian statesman. He spoke about the great pressure that was being brought to bear upon him in reference to delay in the granting of self-government to the Boers, and asked, "What is your advice?" The Canadian statesman said: "In 1837 Canada was in revolution. You trusted us. Have you ever had any reason to regret that action? Do the same for South Africa, and you will have the same result and the same response." Campbell-Bannerman said, "By God, I will!"—and he did it. As a result, we have had South Africa in this war lined up with the older self-governing colonies of Great Britain, and the disruption of the British Empire has been averted. Now, I submit that the policy finally adopted in imperial affairs by Great Britain is apt to embody the moral judgment of the people. It was so in Canada; it was so in India, after the horrors of the mutiny; and it was so in the treatment of the Boer republics after that protracted and disastrous Boer War. We come out right in the end, although, as your papers are always telling you, we may make every imaginable blunder in the process..

It would be impossible for an Englishman addressing an American audience in these days to refrain from saying a word in regard to the relations between the two countries, and especially the change that has come during the last few weeks and months, with the Russian Revolution and the entry of the United States into the European conflict. It was impossible

before this for anyone to speak with complete sincerity about the line-up of the freer nations of the world against a military menace. It is now possible for us to do it. The change means for you that that old national detachment of yours is over. Under the pressure of irresistible forces we in England gave up our splendid isolation, of which the newspapers used to be so proud. You have had to re-read, as in the modern world we have to re-read, every scripture of the older time—the Monroe Doctrine and the Farewell Address of George Washington. You have had to learn that citizenship in a modern state implies world citizenship; and if I may quote a fine sentence of a great American woman who has spoken this afternoon, our hardest problem is that of learning to live in a world becoming conscious of itself. To an Englishman, perhaps the most striking fact of the moment is that, while America and England are allies for the first time, they are not yet friends. There is an amount of misunderstanding, and I think a feeling of hostility, between the two peoples such as an Englishman does not understand until he comes to this country. We are told that a good deal of it is due to the teaching of history in your schools. Too many Americans assume that we English are still in the position of George III and his ministers, that we have not moved since the eighteenth century. You do not, I think, realize that most English children are taught one chapter of our imperial history from the American point of view; are made to realize that the rulers of England were wrong and the inhabitants of the thirteen colonies were right. The point is of real significance. We could not have been where we are today if it had not been for the lesson, unpleasant in its origin, which we were obliged to learn from you in 1776. It is, of course, the liberal and democratic England which is at one with you in your social and international aims. It is true that there is a small section of persons in England opposed to those aims. If you doubt it, turn to the recent numbers of a once-famous weekly journal, *The Saturday Review*. You will find there articles which say in effect, "We have been told over and over again that the war is to be fought for the establishment of liberal principles, but surely it is for some-

thing greater than that"—which reminds me of the old Calvinist woman who said, "Yes, the Universalists believe that all mankind will be saved, but we look for better things."

Now, what we are hoping is that the peoples of the two countries may be able to help one another, and I feel that they may do so in three ways, among others. First, in that struggle for social justice which goes on whether there is war or peace throughout the world. You know and we know that it is a struggle which has to be kept up unremittingly, and with a vigilance which must never be allowed to drop. When you are learning from England's mistakes, pray take this to heart: that our experience with regard to the conditions of industry has brought an overwhelming demonstration of the belief that you must establish the most liberal of all possible conditions of work and pay and leisure. It may be that one of the benefits of the war situation will be to demonstrate the truth of a thing which the people would not believe before upon the kind of proof that we were then able to bring, but which they cannot refuse to accept now because of the overpowering evidence that is placed before them.

Secondly, we can be of mutual service with regard to our responsibilities to colonies and subject peoples. I am not now speaking of places like Ireland. We hope you may be able to help us toward a better way in the handling of subject peoples than that which we have followed hitherto; and perhaps, in return, we can help you to make the right kind of convincing reply to those imperialists who were laying before you yesterday so fascinating a program of aggression and exploitation.

Thirdly, and above everything, we hope that the new co-operation will be of mutual assistance in regard to the great international problems. When we were discussing the other day the question of secret diplomacy and its unfortunate results, I had a feeling that one important matter was being overlooked, namely, the extraordinary caste supremacy of the diplomatic community. No youth in England can even get a nomination to the diplomatic service unless his people are in a position to allow him an annual income of two thousand dollars. That is to say, before he begins to enter, he must be

approved as a member of the ruling caste, with certain special privileges in regard to maintenance. This fact alone, I think, will illustrate the extraordinary, and as it seems to me, deplorable circumstance that the work of the people abroad is being done by representatives who are remote from them, who are cut off from the common folk, the workers, from those who know the realities of life, as far as the Brahmin in India is cut off from the multitude. One of the first things we shall have to do in the making of a world reorganization will be to see that the tasks of embassies and consulates are committed to men of the right kind, men who are not separate from the real interests and aspirations of the people.

Finally, it is of little use for us to be repeating the President's phrase about the world being made safe for democracy, unless we can do something to help President Wilson embody that great affirmation in the actual work of international policy. If I may express the disappointment of an Englishman as he looks upon what has been happening since the great change in Russia and the entry of the United States into the war, I should say that somehow the right things have not always been emphasized. What we want is that the peoples of the Central Empires should be made to realize that when we of the people say that this is not a war for extermination, we are down upon the fundamental facts. Nor should we be afraid of liberty. Our strength will be all the greater if we remember that discussion is of the essence of democracy; and if we remember that there is a relation of the conscience to the state which we cannot override except at our peril. Only by remembering in stress the things we say we believe in times of peace can we come out of the struggle; and we shall come out of it in ways that we cannot now possibly foresee. William Morris' John Ball tells us truly that men fight and get something different from what they fight for, so that others who follow them have to fight for the same reality under another name. That is the condition of the eternal struggle. Let us make sure that what we are fighting for is something that can be embodied in an enduring society in which men and women can live and labor and bring their lives to fruition.

## ANNEXATION AND THE PRINCIPLE OF NATIONALITY<sup>1</sup>

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**A** PRINCIPLE that is at present receiving much emphasis as a necessary basis for a durable peace is that of no annexations. It is frequently stated as no compulsory annexations. This brief paper is an attempt to show the relation between annexation and the principle of nationality in the organization of a durable peace.

I am not here to discuss the nature of nation, of nationality, and of nationalism as against any other concept of current political thinking such as internationalism. I am here to express the belief that one lesson emphatically taught by history is that human development is best aided when people are politically organized so as to secure the greatest degree of national unity, and if possible to prove from the facts of history that when international adjustments have been made which violated the principle of nationality they have always been temporary and have been broken at the first opportune moment. Nationalism and democracy are the twin children of the French Revolution. Bursting upon a continent organized upon the dynastic principle, neither of these political principles was understood and both were bitterly opposed. For a century and a quarter they have struggled for recognition and have not yet completely attained it. This paper is concerned primarily with the principle of nationality, and it will be helpful to relate briefly the history of its demand for recognition.

As has been stated already, national unity was one of the forces let loose by the French Revolution. It was not fully appreciated even by its authors, and Napoleon fell because

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

he could not withstand the strong national feeling that his aggression had awakened in the peoples of Europe outside France. Every European international congress that has been held since the French Revolution has flouted it—the Congress of Vienna in 1815, the Congress of Paris in 1856, and the Congress of Berlin in 1878. The result has been that the periods intervening between these congresses have been periods of revolution and war undertaken largely to upset the arrangements made at them and to secure the acceptance of nationality as a principle of international organization. The history of Europe for two generations after the Treaty of Vienna is the history of the attempt upon the part of the peoples of western Europe to destroy the provisions of that treaty which were framed to prevent the attainment of national unity. The history of Europe since the Treaty of Berlin in 1878 is the history of a movement on the part of the peoples of eastern Europe, especially of Austria-Hungary and the Balkan peninsula, to destroy its provisions in order to realize their national unity. Today the principle of nationality is stronger than it ever has been. Two centuries ago the Polish national state was destroyed and its territory divided among its despoilers. But nationality survived, and one of the greatest problems confronting European statesmen today is the reconstruction of Poland as a national state. For almost four centuries after the Turks entered Europe, Greek, Serb and Bulgar were so enslaved that they apparently disappeared from human history. Certainly western Europe was astonished to learn during the Crimean War that there was such a people as the Bulgars. Yet Greek, Serb, Bulgar and Ruman emerged from their slavery and obscurity during the nineteenth century, revived their national cultures, and during the past generation have made progress as national states which has been the astonishment of students of European history and politics.

History shows, moreover, that it makes no difference how international arrangements violate the principle of nationality; if they violate it, they cannot stand. Such arrangements will be destroyed if they force together peoples of different nationality just as surely as if they forcibly separate people of the

same nationality. The powers of Europe by the Treaty of Vienna of 1815 united Holland and Belgium into one state. The union lasted but fifteen years, being broken by the revolt of the Belgian people in 1830. On the other hand, the powers by the Treaty of Paris of 1856 denied the request of the people of Moldavia and Wallachia to be permitted to unite into a national state. Three years later the two provinces united into the national state of Rumania despite the powers. Moreover, even the kind of treatment accorded to a people does not operate to weaken the principle of nationality. The harshness shown to the people of Posen by the Prussian government has only deepened their devotion to Polish nationality. And the mild and just treatment granted to Norway by Sweden did not suffice to satisfy the Norwegian national spirit which demanded and secured independence almost a century after Norway was handed over to Sweden by the Treaty of Vienna.

Not only is the principle of nationality stronger than it ever was before, but it is today the strongest single force operating in international affairs. No appeal to any so-called higher principle prevails against it. The basis of socialist organization in the European countries in 1913 was that the workers of all countries had more in common than had the workers of any one country with the other classes of that country. But when the great crisis came in 1914, the socialists of each country were found arrayed with the capitalists of their country against the socialists and capitalists of another nation. The socialists of France and Germany were first and above all Frenchmen and Germans respectively. And the Great War has certainly intensified the spirit of nationalism in all countries, great and small. One of the problems that we are discussing at this conference is the rights of small nations. In view, therefore, of the vitality and intensity of the principle of nationality today as in the past, would it not be futile for the statesmen of Europe to decide upon international readjustments based upon any scheme which would prevent the realization of that principle?

The realization of the principle of nationality does not necessarily involve the question of annexation. The suppressed



nationalities are in almost all cases asking merely for autonomy. Few Irishmen expect or hope for the absolute independence of Ireland—they want home rule. The Czechs of Bohemia would always have been loyal subjects to the Hapsburgs had they been permitted freely to develop their national culture and ideals within the empire. The Finns ask neither for independence nor for territorial accretion, but merely that the promise be kept which was made by Alexander I to Finland in 1815 that its constitution and laws should remain inviolate. In all these cases there exists no national state, no independent Ireland, Bohemia or Finland to which Irishmen, Czechs, or Finns who are suppressed in neighboring states can look for redemption. But in any case where a people is divided, part of them living in an independent national state and the remainder in a territory which is subject to another state, the latter territory is sure to be considered *terra irredenta*. That is the condition of the Balkans. Seven million Rumanians live in the independent state of Rumania, but more than three million live in Bukovina and Transylvania, where they have been subjected to the harshest kind of treatment by their Magyar rulers. As long as this condition continues there will be a *Rumania irredenta* and a potential powder magazine in southeastern Europe. Again, there are more Serbs unwilling subjects of the Austro-Hungarian monarchy than there are Serbs in independent Serbia. When the brave people of Bosnia and Herzegovina risked their all in a revolt against their Moslem rulers in 1876 they revolted not only for freedom but for annexation to what they considered their mother country, Serbia, and when the European statesmen at the Congress of Berlin outrageously violated the principle of nationality by handing over Bosnia and Herzegovina to Austria-Hungary, they committed an act of statecraft which contained in it the germ of the present terrible catastrophe. Similarly, when upon the demand of Austria-Hungary the new state of Albania was created in 1912, northern Epirus inhabited wholly by Epirote Greeks was included in it. But the Epirotes revolted and demanded annexation to their kinsmen in Greece. Poor Greece could not disobey the mandate

of the powers, but the powers have so far been unable to compel the Epirotes to remain under Albanian sovereignty, just as they were unable to compel the Cretans to remain under Turkish sovereignty.

Surely the history of the past hundred years justifies us in believing that if any general congress of the European powers attempts at the close of the war now raging a territorial reorganization in violation of the principle of nationality, such attempt will fail. The reorganization will not last. How then can a territorial reorganization be undertaken to realize the principle of nationality? Only by the plebiscite, by vote of the people in the territories concerned. Even the plebiscite will not result in the perfect realization of the principle of nationality. There will be islets of alien peoples in some of the redeemed national states whose rights and interests must be safeguarded. It must be evident however that the realization of the principle of nationality means either the extinction or the reorganization of one great state of Europe, viz., Austria-Hungary. Austria-Hungary is a standing invitation to war and has caused more wars and uprising during the nineteenth century than any other state of Europe, simply because it is organized in violation of the principle of nationality. When the Hapsburg dominions were reorganized according to the *Ausgleich* of 1867, Austria and Hungary were placed upon an equal footing and it was understood that the Germans and the Hungarians in their respective parts of the Dual Monarchy should have absolute control of the destinies of the other nationalities which make up the populations of those parts. That control has been used to suppress any attempt upon the part of the subject nationalities to develop their national cultures or ideals. Owing to the exigencies of the political situation, Austria has vacillated between a policy of repression and one of relative leniency, but Hungary has followed a consistent policy of harsh repression. Were the plebiscite permitted at the close of the war it can hardly be doubted that the people of Trieste and the Trentino would vote for annexation to Italy, the people of Transylvania for annexation to Rumania, and the greater part of the South Slavs to Serbia. It is possible that the Bohemians

and the Slavs of the north would be willing to remain in the Hapsburg monarchy if it were reorganized upon the federal instead of the dual principle. The principle of nationality makes for peace. The political philosophy dominant in the eighteenth century and in the early nineteenth century regarded a new nation as an intruder, whose motives and activities were suspected. Today it is regarded as one of the family who has passed through the period of tutelage, who has attained his majority and who has the right of living his life according to his own beliefs while maintaining the friendliest relations with the other members of the family. Only when permitted freely to develop in that way can a nation make its best contribution to human welfare, and every nation has some distinct contribution to make.

## THE NEW RUSSIA<sup>1</sup>

B. E. SHATSKY

Director, Russian Information Bureau, New York

THE year 1917 means just the same thing for Russia that the year 1776 meant for the United States. The New Russia is born now, the sister republic of the United States. I wish to say to you that the idea of a separate peace is absolutely repudiated in Russia. Knowing very well the spirit of the Russian government, knowing the spirit of the great Russian democracy, I can positively assure you that no separate peace is possible. Let me give you some illustrations. At the time the great reactionary prime minister, Sturmer, was also appointed minister of foreign affairs, I had a conversation with Mr. Guchkoff, who, as you know, was the first revolutionary minister of the army and navy in the Russian cabinet, and asked him, "What will the Moderates do if Sturmer succeeds in his policy of concluding a separate peace with Germany?" The Moderate Guchkoff answered me in his firm low voice, "In that case, it will be necessary to raise against the Czar not only the voice, but also the hand." I remember also a conversation with Rodzianko, the president of the Duma, before my departure from Russia. He said to me, "Tell the Americans that Russia will fight for ten years if it is necessary; we will not cease from this struggle until the cause of democracy is won." That is the opinion of the Moderate-Liberals in Russia. The Radicals, led by Prof. Miliukoff, formerly minister of foreign affairs, have the same leaning.

You may say that the new minister of foreign affairs, Mr. Teretschenko, holds other opinions; but I can assure you that before my departure, I also saw Mr. Teretschenko and he was

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 22, 1917.

enthusiastically for the cause of the Allies. It will be enough to add that Mr. Teretschenko was the chairman of the Kiev branch of the War Industrial Committee, and I am certain that he would never have accepted the post of minister of foreign affairs if he were not convinced that it was necessary for the efficient prosecution of the war.

As for the socialists, only yesterday I received the text of a speech by Tscheidze, leader of the Russian Socialist-Democratic party, made before the Council of Workmen's and Soldiers' Delegates, representing the forces of the Russian democracy. He said to them :

If the Germans think that we shall help them in this great struggle they are terribly mistaken. Until the German workers are through with the Hohenzollerns, we can do nothing with them. The great struggle will be decided at just that time when the workers in Germany throw off the yoke of the military and junker clique.

You now know what is the feeling of the working classes. Perhaps you think the peasants of Russia are of another opinion. Just three weeks ago there was held in Petrograd a meeting of the representatives of all the Russian peasants, and eight hundred voices against twenty proclaimed the necessity of efficient prosecution of the war against Germany. Now you can see the viewpoint of the peasants in Russia. Army delegations from the front also see the awful necessity of continuing the war with Germany. I do not know a single responsible political man in Russia who is on the side of a separate peace with Germany. I can say that emphatically.

What, then, is the policy of the great Russian democracy? There is a great desire for a general peace as soon as the conditions permit it. Does that mean that the Russian democratic forces will try to persuade the western democracies to conclude a general peace immediately? Certainly not. They understand very well that this struggle is so great, and that the sacrifices have been so enormous, that this war cannot end by any kind of compromise; and they understand very well that there is just one solution possible, and that is to make Germany a democratic country. What have the Russian democratic

forces to say on this subject? They proclaim a slogan of no annexations and no indemnities, as you read in the newspapers. That is not true. The position of the Russian democratic forces is that there must be no forced annexations, and no punitive indemnities. You understand, that is quite another matter.

The monarchy in Germany has always been trying to convince the German people that they are striving for national existence as against a great national disruption, and the democratic forces in Russia want to assure the German people that in the event of their becoming a democratic people and putting an end to autocracy in Germany, there will be no danger for the German people as the German people. The principle of no forced annexation means that no territory will be given to any country without the consent of the people in the territory involved. That is quite a democratic principle, and I take the liberty of saying that this policy is in accordance with the policy outlined by your great statesman, President Woodrow Wilson.

In conclusion, I am perfectly sure that the will of the people will prevail, and that the league to enforce peace, about which you have spoken today so much, is a practicable solution of the problems. I am certain that no sacrifices are too great for the accomplishment of this end for which the American and the Russian people will be responsible.

I want to say that Russia has already lost more than a million men who were killed, not counting the many wounded and prisoners of war. If you will remember that every one of this great number was a source of support for five or six or seven people, you can imagine for yourselves how great is the ocean of blood and sadness in Russia; but I say that no sacrifices are too great for the task which we have in hand. I am perfectly sure that those great democracies, the Russian and the American, will go hand in hand in performing this task, and that the duty will be fulfilled.

## THE DEMOCRATIC IDEAL IN INTERNATIONAL RELATIONS <sup>1</sup>

BAINBRIDGE COLBY

New York

THE supreme concern of mankind is justice. This is the aspiration of democracy, not only in its internal but in its international relations. Justice not only demanded for ourselves but freely accorded to others.

This is the keynote of President Wilson's epoch-making appeal to the nations of the world. This immortal address constitutes not only a satisfactory declaration of the principles for which we entered the Great War, but it is the latest and most authentic expression of the spirit of democracy. The inviolability of treaties, respect for nationality, the right of development along self-evolved and national lines, obedience to the promptings of humanity, in other words, international justice—these are the salients of his definition of democracy's aims and of the democratic ideal in international relations.

But nations are animated not only by theories but by conditions. And it is well for us to remember that a nobly defined ideal does not necessarily meet or vanquish a robust and persistent condition. The issue of the Great War is familiarly defined as between autocracy or militarism on the one hand, and democracy on the other. But militarism or even autocracy, odious as they are, are only different lines of approach to, or treatment of underlying conditions in the world.

I think it may fairly be said that the ailment which afflicts the world is economic and not exclusively political. The trouble with the highly industrialized nations of the temperate zone is that they cannot produce what they need to consume, and they cannot consume what they need to produce. The populations of the industrial nations are steadily growing.

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

The nations of western Europe in a century have doubled their population. Germany is adding a million per annum to her population, and the United States even more. The nations of western Europe cannot produce the means required for their subsistence. They have not the agricultural basis which yields them their requirements in food and raw materials. These indispensables of national life must be obtained beyond their borders. They must, in other words, be purchased, and the means necessary to the purchase are manufactured products, which must greatly exceed in amount what the domestic market of the producing nation can absorb. From this universal need of nations, i. e., food and raw materials on the one hand, and a market for products on the other, arises the value of colonial possessions, particularly in the unexploited and highly productive regions in the tropics and the orient.

These regions are in large part peopled by nations whose titles to the lands they hold are unassailable, yet the people are lacking either in industry or ambition, and the productive possibilities of their lands are incapable of realization unless the popular energies are marshaled and directed and even supplemented by the more progressive and colonizing nations. The world needs their produce, the life of Europe demands their raw materials, and mere rights of nations can with difficulty make a stand against necessities that are so imperious. There has thus arisen an economic imperialism, of which, strange to say, the most democratic of nations are the most conspicuous examples. England throughout the world, France in Africa and the East, are deeply conscious of the relation to their industrial vigor of colonial expansion.

Economic advantage seems to follow in the wake of political control. It is the mother country which builds the railroads in the colonies, controls port privileges, fixes tariffs and secures to her nationals the out-distancing advantages which make alien competition impossible. Theoretically this may not be true, but in practice it is uniformly true. Of Algeria's exportations seventy-nine per cent are to France, and eighty-five per cent of her imports come from France.



As the industrial nation grows in population, the pressure upon her means of sustenance increases, her need of raw materials grows greater, and she turns a ranging eye throughout the world for the means of satisfying this internal pressure.

Here is the motive of wars, here is the menace to world peace. And it is with reference to this condition, prevalent throughout the world, that we must determine the attitude of democracy in its international relations.

This economic pressure is but beginning to be felt in the United States, but its premonitory symptoms are already seen. It is only a question of time when our complacent sense of security will give way to a realization that our vast agricultural basis is not vast enough to sustain our even vaster industrial development. We shall then feel, if not so acutely as sister nations in the east, at least as truly, the need of expanding markets and enlarged sources of raw materials, if not of food.

The spiritual aims of democracy, so perfectly defined by the President, will have to encounter the imperious economic necessities which drive all nations, which cannot be stayed, and which refuse to be silenced. The freedom of the seas, respect for international boundaries, observance of treaties, obedience to international law, recognition of the dictates of humanity—in short, all the aims which animate America and her allies in this great war, do not in and of themselves contain the promise of a complete tranquillization of the world. To end wars requires that the sources of international friction should be reached. The repression of barbarism, the punishment of ruthlessness, constitute a sufficient but only an immediate objective of the world's struggle. It is, of course, the primary undertaking of civilization, and once achieved, our thought and our effort must go forward in aims that are more far reaching. Our goal must be the destruction of the economic root of war—in other words, to establish an economic, not only a political, internationalism, a community of interests, even if qualified and incomplete, among great nations. The American policy of the open door in colonial administration must find acceptance in the world if mankind is to emerge from the perennial menace of war.

## THE WILSON-KERENSKY PEACE POLICY <sup>1</sup>

WILLIAM ENGLISH WALLING

**T**HIS morning the German and Austrian socialists once more gave out their peace terms, which are practically identical with those they issued in 1915. Note first of all that both factions have the same program. Pro-German socialists have repeatedly tried to make us believe that there was some difference in this respect between the minority and the pro-Kaiser majority. Now, at last, that confusing misstatement is done for. Next, note that these terms are strangely identical with those of the various socialist parties and factions in Russia, America and neutral countries that were most vociferous in support of the original Stockholm Conference—in the form in which it was approved by the German government.

What are these German terms?

(1) No annexations or territorial transfers, even when desired by the inhabitants. Lorraine is to remain German; Armenia is to remain Turkish.

(2) No indemnities for war expenses, or even for the vast damage wantonly done in Belgium, Serbia and Poland.

(3) Freedom of the seas as already defined by the German government.

(4) Certain specially difficult questions are to be left, undefined, to an early peace conference—as demanded by Bethmann-Hollweg in his so-called peace move last December.

These are not the peace terms of the British Labor party, nor of the French labor unions, nor of either faction of the French Socialist party. The French are sending delegates to the preliminary meeting at Stockholm, but they explicitly state that have not agreed to attend general meetings of the Stockholm Conference. Moreover, they have made conditions,

<sup>1</sup> Discussion at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

as the press cables expressly state—also a private cable I have just received. These conditions are (1) that peace must assure the rights of peoples as well as the liberties of nations, and (2) that it must be a democratic peace, based upon government by democratic parliaments elected by universal suffrage—which would mean, practically, that Kaiserism must go.

Soon after the beginning of the present war, President Wilson began to formulate certain international principles—acceptable to the overwhelming majority of Americans—which should guide us as far as we are able to influence the conclusion of the present war. These principles, as the President demonstrated, are a natural outgrowth of our best American traditions. I wish to point out that this internationalism is identical with the internationalism of the majority of the advanced popular parties throughout the world, identical, for example, with the internationalism of the great Socialist-Populist Peasant party which is now dominating Russia and finding expression in the most powerful member of the new Russian ministry, Kerensky. The European cables speak correctly of the Wilson-Kerensky peace policy.

America awoke to the practical importance of the popular internationalism of Europe, when the newest Russian government adopted the peace formula of “no annexations, no indemnities,” and called upon the Entente for a revision of their peace terms in this sense. Let us review briefly the attitude of American and European internationalism toward these and the other leading planks of this new peace program.

Kerensky explains that “no annexations” means no forcible annexations against the will of the inhabitants. Territorial changes, however, are to take place, when the inhabitants demand it. President Wilson was equally explicit in his address to the belligerents on December 18, when he demanded that not only the small states but also “the weak peoples” should be made secure from wrong and violence. President Wilson also spoke in that address of coming “territorial changes and readjustments.” Thus the internationalists represented by President Wilson, like the internationalists represented by Kerensky, reject both interpretations of the “no-annexation” policy that

would make it serve the purposes of aggressive nationalism instead of aiding the progress of internationalism, namely, the claim that this policy prohibits *all* territorial changes, and the claim that it demands freedom of development for existing nations only and not for subject nationalities and peoples who wish either to be independent or to transfer their allegiance.

Kerensky, who speaks not only for the party that represents eighty per cent of the Russian people, but also for all the socialist internationalism of Europe that is not demonstrably under German influence or pressure, interprets the phrase "no indemnities" as meaning "no punitive or improper indemnities." The attempt is not to be made to force the German nation, staggering under its own war burdens, to pay the war expenses of its enemies; the German governmental principle applied by Bismarck against France in 1871 is not to be used against Germany. But the damage done by German armies will be paid for by somebody. Are the innocent Belgians to pay for all the colossal levies put upon them, for the vast amount of property taken from the country and the still greater amount of property destroyed? Is it physically possible for the impoverished Serbians or the Poles to rehabilitate their country? Kerensky considers these as proper indemnities for Germany to pay. He would probably also include indemnities for deliberate work of destruction in France.

President Wilson has pointed out in his address to the Senate on April 2, referring to submarine destruction, that "property can be paid for." He goes on to state: "We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make." That is, we do not seek to make Germany pay any part of our war expenses. This does not mean that we abandon all financial claims for American property wrongfully destroyed by submarines, nor that we seek no indemnities for others. In fact, there is an unmistakable implication the other way.

A third plank in the President's platform scarcely leaves room for argument. All Russian revolutionists and European socialists not under mental influence or physical pressure from Germany share our demand for the liberation of the Ger-

man people and the world from Prussian autocracy. They agree with the President that the very "existence of autocratic governments" makes permanent peace impossible, because, as the President says, "no autocratic government could be trusted to keep faith within it [the league of nations] or observe its covenants." Indeed, the Council of Workmen's and Soldiers' Deputies has accused the German army of blindly following the Kaiser and destroying revolutionary Russia. The council not only calls upon the Germans to imitate the Russian example, to revolt and overthrow their emperor, but clearly implies that the war must continue until this is accomplished.

But has not the new Russian government adopted a policy differing from ours and President Wilson's on the question of freedom of the seas? If Constantinople, in some way not yet described, is to be internationalized, the Germans, including the German socialists, demand with undeniable logic that the same principle should be applied at Suez and Panama. In his address of January 22 Mr. Wilson demanded freedom of the seas "in practically all circumstances" as well as "a direct outlet for every great people to the highways of the sea." But he added that the freedom of the seas is "a problem closely connected with the limitation of naval armaments," which in turn "opens the wider and perhaps more difficult question of the limitation of armies and of all programs of military preparation."

No influential section of American opinion has expressed a willingness that the great sea powers should take such a radical step toward naval disarmament as would be involved in the neutralization of the Panama and Suez Canals—unless or until the great land powers take an equally radical step toward the disarmament of land armies or the surrender of some equally great military advantage. Indeed, nearly all pacifists have always recognized hitherto that sea power is essentially and necessarily less militaristic than land power.

Moreover, the war has shown that Constantinople would not be effectively neutralized with Turkey and Germany ten, twenty or thirty miles away—a fact which all Russians have been painfully taught by the war. When Russia says she does

not desire to annex Constantinople, but only to see it internationalized, she does not mean that it is to be left practically in the power of Turkey or Germany—although this is the *sine qua non* of peace to every political party of any consequence in Germany, even including the socialist minority, and excepting only the handful of actual revolutionists, whose leaders are mostly in jail. So there is little prospect that Russia will support Germany's demand for a "freedom of the seas," or partial naval disarmament on the part of her democratic allies not accompanied by similar measures of land disarmament on the part of autocratic enemies.

Russian internationalism, and European internationalism, aside from the pseudo-internationalism of the German socialists and their followers, is identical—point by point—with the new American internationalism voiced by Woodrow Wilson.

The so-called international socialist conference that was to have been called at Stockholm, on the other hand, was to have been almost entirely in the hands of socialist groups that have openly and repeatedly endorsed the peace policy of the German socialist minority led by Haase, Kautsky and Bernstein. According to Huysmans, secretary of the International Socialist Bureau, the Dutch socialists who called the conference accepted as a preliminary common ground for the delegates to meet upon, the point of view of Wilson and Kerensky. This is a complimentary recognition of the fact that the Wilson-Kerensky view is the strongest in the world today, and will win in the end. But as a matter of fact nearly all the delegates at Stockholm have already expressed themselves as favoring the peace policy of the German minority. This policy is the opposite of Kerensky's and President Wilson's in every essential particular.

The President, as well as Kerensky, says that there can be no peace with an undefeated autocracy; the German socialists, while realizing that the Kaiser is taking full advantage of the fact that the Russian Revolution took place during the war, are agreed that there is to be no German revolution until after the war. The President wishes the world to be made safe for democracy, which, as he said in his war speech to the

Senate, is menaced by "the existence of autocratic governments." Hillquit has assured us, and correctly, that the internal problems of nations were not to be touched upon by the Stockholm Conference. President Wilson has demanded that the weaker people be made secure from wrong and violence. The Russian Council of Labor Deputies demands the "free development of nationalities," and even the American Socialist party at one time demanded as a condition precedent to the close of the present war that "all countries under foreign rule be given political independence if demanded by the inhabitants of such countries." The American party is now following the German Socialists' lead in restricting this to a demand for a free development of nations only. This would leave the people of Alsace-Lorraine, German Poland, Armenia, Syria, and the Italian, Rumanian, and Ukranian parts of Austria under a foreign yoke as at present, regardless of the wishes of the inhabitants.

It must be understood that there is absolutely no difference between the two leading German socialist factions as regards peace terms. Both factions are in favor of the "no annexation, no indemnities" formula in the narrow sense in which it was originally used when the Germans invented it in the summer of 1915. Both want the French, Serbians, Poles and Rumanians to pay for the destruction done in their own countries. Both are opposed to the right to independence of subject nationalities, races and peoples; both are opposed to making the overthrow of German autocracy a condition of peace.

Now what does all this latest peace talk amount to, in a few words? Practically all the pacifists are demanding immediate peace "negotiations," or an "early" peace. The German chancellor has already demonstrated to the satisfaction of nearly all non-Germans that this would mean peace based on the war map, i. e., a peace that, in one form or another, cashed in Germany's military victories and strategic advantages. The Zimmerwald Conference, held two years ago in Switzerland and endorsed by the American Socialist party and nearly all the other organizations supporting the Stockholm Conference, definitely demanded immediate peace "regardless of the strategic situation."

As opposed to this, President Wilson, in his war address of April 2, has pledged the American people to the definite defeat of the German government. This does not mean that Germany, as at present organized, must be "destroyed," "crushed" or "vanquished." It does mean that this "war for democracy" (for that is what it has become, whatever it was at the outset) must be prosecuted "to a successful conclusion."

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## SMALL NATIONALITIES

### DISCUSSION <sup>1</sup>

MR. THEODORE PRINCE, New York city: I should like the privilege of expressing some conclusions that I have reached, in a measure, from the deliberations of the past few days. In the first place, I protest vigorously against the note of satisfaction that greeted Mr. London's criticism of the President for refusing passports to certain representatives delegated to attend the Stockholm Conference. All of us believe in honest criticism, but it must be constructive; it must look to the future and not to the past. We cannot aid the nation by indulging in controversies over matters of importance which have been decided by those who are in charge of the momentous policies of this country. They have decided that it is not for the interests of the country to have any special sect, society or class attend an unauthorized conference to discuss the weighty questions involved in a peace settlement. We must respect that decision; for we are at war, and we must mobilize our criticism as well as our forces; we must fight and hit as hard as we can. We must hurl an avalanche and overwhelm the foe. Anything that may help in that task is good; anything that impedes it, is bad.

I do not mean that the President of the United States or his advisers are above criticism; but a democracy, in conceding to its executive for the war period such autocratic powers of management as are necessary to ultimate success, must not neutralize its beneficent effect by indiscriminate criticism. Criticism to be useful must direct its forces to those matters that are in the making, and that can by constructive criticisms be shaped for the advantage of all. Then and then only, as Mr. London said, will the opposition of today be the wisdom of tomorrow. In my opinion it is proper to criticize the present tax program of the government; for that is not yet finally determined. The present generation will have a sufficiently heavy burden to bear without loading on its back that which future generations should carry. It is also appropriate to criticize the contemplated military plan by which (so far as is disclosed) we are to raise only five hundred thousand men during the first year. If the enemy

<sup>1</sup> At the afternoon session, May 31.

knows that a million to two million men are in training, ready to go to the firing line, the moral effect will be greater than the mere increase in actual man power. I cite these instances as an example of what I consider fair material for criticism, stimulation and agitation of current opinion directed towards a constructive course of action now pending, as befits a government of free people.

I have also been impressed with the freedom with which the speakers in these meetings have condemned the policy of our allies, particularly Great Britain. These nations are now our allies in a great and noble cause. Since we have pledged our fortunes and our lives to them, ought we not to give them our faith and confidence? Here again I contend for the right of criticism in such matters as will advance our common cause; just as I have suggested criticism of our government and its president, in the same spirit I would raise an issue with our allies.

This brings me to my third point, namely, that while we are loyally for war, we should be as loyally for peace. We have heard of the spirit of good-will and democracy as the only thing that will insure an international arrangement or status whereby peace can be universally secured. But in all these discussions good-will and democracy are apparently forces to be exerted after the end of the war. Why this procrastination? Great Britain, France and Belgium have borne the brunt of this fight, and are exhausted economically, physically and mentally; we cannot expect them to think much about peace and good-will. The United States, on the other hand, fresh, buoyant and elastic, has not yet felt the horror of millions of lives sacrificed. We can give our allies military and economic aid; but even more important, we can give them spiritual help. Why should we not now before this reign of ruin overwhelms us, influence our allies toward a settlement based on good-will? This is in no sense a pacifist doctrine; on the contrary, we must and should fight with all the energy that our vigor and resources allow. Yet can we not at the same time insist upon a spirit of condonement which must essentially lie at the basis of any settlement? The Central Powers naturally must maintain firmly their proud demands in the face of the Allies' grim determination to crush them. Is it not fair to assume that Germany and her allies may take a different point of view if we and our allies indicate to them by our spirit that good-will is uppermost in our minds despite the vigor of our onslaught?

This would be in line with all our traditions. A half-century ago we fought a war of ruin and devastation with our own brothers; it

ended in condonement, not humiliation: it was the sheathing of the sword that brought the war to a close.

That war was fought with full knowledge of the problems of reconstruction that would have to be faced after the war, and this war also should be fought with a clear idea of the reconstruction that must come after the war is won. In fact, the war will not have terminated until complete adjustment among the nations shall have taken place.

It was that spirit that animated our great leader who gave up the richest and most precious of our country's possessions, and like him we should fight and fight and keep on fighting, but bear in our hearts his great spirit and love for humanity, his "charity for all, and malice towards none."

MR. CLARENCE H. HOWARD, St. Louis, Missouri: I do not feel that I can return home without expressing to those who have conducted this conference my thanks for their service in bringing together this assemblage of people from all over the world to discuss our international relations. Throughout our discussions, I have been impressed with the idea that what we need is fellowship—a comprehensive, vital force, always finding expression in the Golden Rule. Fellowship has for its purpose the uniting and bringing together of all nations. Fellowship enriches and purifies character. Fellowship has for its chief foundation-stone co-operation. It has no element of racial or other prejudice or jealousies. By its very nature, it cannot exist alone, but requires all mankind to share it. Fellowship establishes the brotherhood of man. It belongs to no race, nation or color. We can find no solution of international difficulties except in a genuine spirit of fellowship.

MR. GEORGE L. FOX: I wish to show that Ireland is not oppressed by England. I object in the strongest way to seeing Ireland spoken of in that way unless you say that Porto Rico and the Philippines are oppressed by the United States. The Sinn Fein Irish Americans form probably not more than one-fifth of the Irish Americans of this country, but because they control almost all the Irish-American papers they have exercised a much greater influence on popular opinion than their numbers warrant. They hold, in the words of Francis Hackett, that the Irish "have long suffered at the hands of England mean and multiple infamies, more callous, more sustained and more fundamental than any which Austria threatened to Serbia."

To show how far these words vary from the truth, I wish to point

out certain results that would have flowed from the success of the Easter Rebellion in Dublin. First, the innocent aged poor, over seventy, many of whom are women, helpless and decrepit, would have lost their old-age pensions, and would have been reduced to extreme want if not to starvation and death. The population of Ireland is one-tenth of that of Great Britain, but one-fifth of the old-age pensioners live in Ireland. Two-thirds of the people in Ireland over seventy years old are old-age pensioners; this will make all Americans understand how brutally Great Britain oppresses Ireland. Since 1911, when the old-age pension law included the aged in the poor-house, the burden of support of the aged poor in Ireland has been largely transferred from the backs of the local taxpayer in Ireland, known there as the rate-payer, to the backs of the income-tax payers of the United Kingdom, comparatively few of whom are found in Ireland outside of Ulster and Dublin. Here we see another instance of the monstrous tyranny of Great Britain over Ireland.

Second, a successful rebellion in Ireland would have resulted in colossal robbery in connection with the ownership of the land. During the last half-century there has been a gradual transfer of land in that country in small parcels to the tenant farmer who tills it, and who in the course of sixty years on payment of annual rent will own it in fee. That has been effected thus far by using the money of the tax-payers of Great Britain, who advance the money, and hold a mortgage running for fifty or sixty years, on the land as security. The amount thus far advanced for that purpose approaches the sum of half a billion of dollars, with the land pledged under solemn contract as security for payment of interest and principal in annual installments. What would that mortgage have been worth in all areas where the sovereignty of the so-called Irish Republic had supplanted the sovereignty of Great Britain?

Third, there would have taken place in Ireland one of the worst financial crises and periods of suffering known since the famine. Trade would have been destroyed, commerce would have been at a standstill, and thousands of laborers would have been out of work and crying for bread. Ireland for the last two years has been prosperous, and the market and prices of her agricultural products have enormously improved. Ever since the latter part of the twelfth century, England has been her best market. This trade, which is the breath of life to Ireland, the promoters of the Easter Rebellion proposed to destroy and alienate so far as they could. At one stroke they would have cut down the value of farms and farm products, wherever they could get their will into force.

MIRAN SEVASLY, Chairman, Armenian National Union of America: If the existence of Austria has been a standing menace to the peace of Europe, as Professor Duggan stated in his remarkable address on nationalities, so has the existence of Turkey, ever since the day the European powers allowed the Turks to supplant the cross with the crescent at Constantinople. The outcome of this great war should be the restoration to nations of their lost heritage. The country stretching from the Black Sea to Arabia and from the Mediterranean to the Caucasus is under the heel of the worst despotism the world has ever known. In this country, which covers an area double the size of Germany, there still live the remnants of several historic races like the Greeks, Armenians, Syrians and Hebrews. I shall deal briefly with the claims of these nationalities.

The Armenians should be allotted all the territory from the Araxes River to the Cilician Gates, including the coast of Alexandretta. There were about three million of them stretching over a vast extent of land included within the provinces mentioned in Article 61 of the Berlin Treaty of 1878. No other people in the Near East is so capable of appreciating the progress and civilization of the West and is so worthy of American and European support and sympathy. Descended from the great Aryan race, with an historical monument of forty centuries, a language, a literature and a national democratic church of their own, with an indomitable energy and enterprise, the Armenians are destined to be the pioneers of civilization and progress in Asia Minor, and one of the living elements that can regenerate a country which the destructive hands of the Ottoman hordes have turned into a desert. They are fit partners in world democracy.

In this international conflagration, when the very existence of small nationalities is at stake, the case of the Armenians of Turkey stands out more strongly than that of any other race; for the wholesale butcheries, massacres and unheard-of deportations to which they have been subjected during these last two years in Asia Minor and wherever the Turks held sway over them, have exposed the remnants of that race to complete annihilation and extinction. The Armenians have always displayed, as Byron puts it, the virtues of peace, and the Young Turks, who apparently adopted the policy of settling the Armenian question by exterminating the Armenians, took advantage of their peaceful and pacific proclivities to give the finishing touch to the policy inaugurated by Sultan Hamed.

The Armenians are heartily desirous of seeing the restoration of peace and good-will among the nations as soon as possible, but they cannot believe in a peace which would be tantamount to dupery. They believe in a durable peace, a peace under the effective guarantee of a committee of nations; they believe that to secure this, adventurous militarism must be curbed. This problem the congress after the war will have to consider and finally solve. A system will have to be evolved out of the present international anarchy by which the rights of nations shall be respected; only in such a system can the Armenians find security for their future existence and welfare, so that they may fulfil their destiny in the concert of the progressive nations of the earth.

To the south of Alexandretta, to the confines of Palestine, and from Beirut to Damascus, lies the country known as Syria and the Lebanon, peopled by heterogeneous races of Semitic and Aryan origin, speaking many languages. Ever since the time of the Crusaders, France has exercised a sort of protectorate over this region, and in 1864 a French expedition to the Lebanon was sent to protect them against the onslaught of the Druses. France should organize her protectorate over this country, after the fashion of Tunis.

The territory stretching from the Sea of Marmora to the Gulf of Pamphylia is peopled chiefly by Greeks. More than a million Greeks live in this territory. Greece should have all the western Asia Minor coast and a hinterland of about one hundred and fifty miles to develop. Then Magna Græcia, the dream and goal of her patriots and martyrs, will have been fulfilled.

What, then, will become of the Turks? The Turks will not be expelled from any territory, but will prosper and develop under the ægis of the different races among whom decadent Turkey is to be divided. The Turk has justified his reputation of being an unspeakable master, but he may become a useful servant as soon as he transfers his allegiance to a foreign ruler. The Turks, however, may be relegated to the province extending from the western limits allotted to Armenia on the east and the eastern boundary of the Greek hinterland on the west, with Iconium as the capital. Iconium is the seat of the dancing dervishes, whose founder, Jelaledine, was the prophet of the Turks before they embraced the Mahomedan religion. He disseminated pantheistic ideas and broad liberalism. Turkish decadence began when, in the sixteenth century the Turks abjured Jelaledine, and made of Turkey a theocracy, drying up in the Turkish soul the splendid ideas and thoughts disseminated by the adepts of Jelaledine.

By transferring their capital to Iconium, the Turks will be brought into contact with the expounders of these ideas, and Iconium under European control may become the center of tolerance and progress.

I cannot close without saying a few words about Palestine. At the close of this European conflagration the Jews, I believe, should be restored to the country of their sires, where the descendants of the prophets may develop in contentment and peace. The Jews will be squeezed in between the French protectorate in Syria and the English protectorate of Egypt and Arabia, but they will have a vast hinterland in the direction of Mesopotamia, of ancient Nineveh and Babylon; here they may prosper and expand.

To sum up, the powers should observe a self-denying ordinance for themselves as far as possible in the solution of these questions; the principle of nationality should be respected and the different autonomous states or annexed territories should be organized on historic and ethnological grounds. Only thus will a lasting peace be secured.

PROFESSOR HENRY R. SEAGER,<sup>1</sup> Columbia University: 'This conference is drawing toward its close, and it is beginning to be possible to appraise its value. It was projected before we entered the war, and since that event some of our friends have gone so far as to think that it should not have been held, on the ground that we should now devote all our thought and energy to the defeat of Germany. I agree that we should devote all our thought and energy to the defeat of our enemy, but is it not that very fact that is making this conference so valuable at this time—and makes it such an important contribution to the part this country may play in the war? In the prize ring the way to defeat the enemy is by the knockout blow. Lloyd George, in one of his eloquent appeals, suggested that was the method by which this war should be ended. It was not very long ago that our own President suggested a very different method, a peace without victory. Events are moving so rapidly that, confident as we are of the outcome of the war, few of us would now venture a prediction as to just how it will end. Is it not certain, however, that one thing that will contribute greatly toward a more speedy ending is the reformulation of the war aims of the Allies? Such a restatement has been made necessary by our entry into the war, and even more by the Russian Revolution. I have no way of knowing how soon that reformulation may be expected, but as intelligent

<sup>1</sup> Introductory remarks as presiding officer at the afternoon session, May 31.

citizens we all know that this is receiving the earnest consideration of our leaders at Washington, and of our allies. What I want to say with emphasis is that this conference is making an important contribution in illuminating aspects of the world situation which must be taken into account in that reformulation. When its terms are decided upon, we all know, from our knowledge of the President, that they will be such as to command the enthusiastic support of the democratically minded the world over. The way in which it will hasten the end of the struggle is by sounding the death knell of the hope on the part of Germany of a separate Russian peace, by solidifying public opinion in this country to the most vigorous possible prosecution of the war, and finally by adding momentum to the rising tide of discontent in Germany, which will in time convince the German government that its defeat is inevitable. No session is better calculated to contribute material for this reformulation than that of this afternoon.



## THE AUSTRIAN PROBLEM <sup>1</sup>

CHARLES PERGLER

Vice-President, Bohemian National Alliance of America

**I**T has become almost axiomatic that in order to organize the world for a permanent peace, the suppressed nationalities must be freed; that no government not based upon the consent of the governed should be tolerated. To speak of the liberation of suppressed nationalities means to speak of Austria-Hungary, a state concerning which Mr. Ramsay Muir recently said that its history may be epitomized in the statement that it is a constant struggle against the realization of the principle of nationality.

The Austrian, or Hapsburg, policy of suppression of non-German nationalities began prior to the Thirty Years War. The original Austrian confederation was a free union of Austria proper, Bohemia and Hungary. These nations saw in this federation a stronger barrier against the menacing Turkish aggression. The centralizing policy of the dynasty led to a Bohemian revolt in 1619, the deposition of Ferdinand the Second as king of Bohemia, and the election of Frederick the Elector Palatine as king of Bohemia. But the Czech nobility was defeated in the battle of White Mountain in 1620, and since then a régime of terror and Germanization reigned in Bohemia. At the same time, the Hapsburgs unlawfully and by violence suppressed the ancient rights of Bohemia.

The ruthless Hapsburg policy of extermination of the best element in Bohemian national life is best illustrated by the fact that when the Peace of Westphalia was concluded, Bohemia was little better than a desert with about eight hundred thousand impoverished inhabitants, while prior to the war she was a prosperous country with more than three mil-

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

lion inhabitants. At one time, in the middle of the eighteenth century, it seemed that Czech national life had come to an end. The policy of Germanization seemed to be successful.

Austria-Hungary not only always opposed the legitimate ambitions of her own nationalities, but probably because of this very home policy, her foreign policy was ever dictated by a desire to smother elsewhere tendencies aiming at the liberation of subject nationalities and their unity in national states. Whoever fought for the right of any nationality to develop freely became an enemy of the Austrian state.

When, in the third decade of the nineteenth century, the Greeks rose against the Turks, they found one of their worst enemies in the Austrian government. Greek independence was recognized only as a result of the insistence of the Allies of today—Russia, France and England. It is an interesting fact that President Monroe, in his message formulating the doctrine which now bears his name, also advocated the recognition of Greek independence, so that when we speak of the Allies of today we can properly add the United States of America.

When, in the thirties, the Belgians rose against the domination of the Dutch, it was again Austria assisted by Prussia which was ready to put down their movement with the sword; and the freedom of Belgium then, as now, was defended by the Allies of today—England and France. The whole history of the movement for the liberation and unity of Italy is a history of wars against Austria. Italy owes its liberation not only to the heroism of its own sons, but to the armed support of France and the diplomatic assistance of England. For a long time Austria was the enemy of German unity, which was made possible only after the defeat of Austria by Prussia in 1866.

But the continuous opposition of Austria to the principle of nationality may perhaps best be seen in her attitude toward the Balkan nationalities, and especially the Serbs. The Hapsburgs, when the Turks were forced to give up their conquests, did not liberate the Rumanians and Serbs, but simply annexed to the empire a large part of the lands inhabited by them in the hope of extending their dominion as far as Saloniki and the Ægean Sea. The erection of new independent national

states in the Balkans was not in accord with imperialistic aspirations, and Austria-Hungary developed into as dangerous an enemy of freedom for the Balkan nations as Turkey ever was.

The main reason why Austria was unsuccessful in her policy of penetration in the Balkan peninsula is to be sought in the rivalry of Russia, which, related to the Balkan nations both by blood and religion, pursued a policy directly opposed to that of Austria. While Austria was the enemy of independence for the Balkan nations, Russia favored the erection of independent states in the peninsula, and as a matter of fact every Russian victory over the Turks was followed by the creation of such an independent state. It would, of course, be naïve to claim that Russia did not have in mind the extension of her own influence, but it cannot be gainsaid that Russian understanding of Russian interests was consistent with freedom for oppressed Slav nations, while Austria saw her interests only in opposition to their liberation.

The crimes of Austria against the principle of nationality culminated in the infamous attack upon Serbia. This little country, strengthened by two victorious Balkan wars, formed a strong barrier against the Austro-German *Drang nach Osten*. The rise of the Serbian state of course created a desire on the part of Austrian Southern Slavs for national unity; Austria feared Serbia would become the Piedmont of the Balkans. For this reason Austria sought to destroy independent Serbia.

Under the Austro-Hungarian settlement (*Ausgleich*) of 1867, the Magyars were granted independence. This settlement is such that one half of the empire is under the domination of a German minority, while in the other the Magyars are supreme. And it is time for the world to realize that the Magyars are not the chivalrous nation they pretend to be. Their rule does not differ from Turkish in kind; it differs very little in degree.

Hungary has more than twenty million inhabitants; only nine million of these are Magyars, while the rest are Slovaks, Rumanians, Germans, Ruthenians, Serbs, Croats and Slovenes. But the government is wholly in the hands of the Magyar nobility, which has a more complete sway in Hungary

than nobility has anywhere else in Europe. There are scarcely a million voters in Hungary, yet during the lives of men now living there has never been a Hungarian election that was free from violence and corruption, and that was conducted without the aid of soldiery. Seventy per cent of the land of Hungary is in the hands of the nobility, and as a result Hungary is a land of chronic hunger.

Under such Asiatic régime there live three million Slovaks, a branch of the Czech nation, a people subjected to the most violent persecution, a people that is not permitted to have a single secondary school. The Slovak press is being systematically persecuted. Under Magyar rule freedom of the press for non-Magyar nationalities is the remotest of dreams.

This is a condition that prevailed in times of peace; even then it cried to heaven for a remedy; but since the war broke out the situation of non-German and non-Magyar nationalities in Austria-Hungary beggars description. The meager right to use the Czech language in administrative offices in Bohemia has been abolished, and the so-called German state language (*Staatsprache*) *de facto* established. For instance, on railroads even the humblest laborer cannot obtain any kind of a position unless he has command of the German language. Political persecution knows no bounds. The government actually dictates to the newspapers what they may or may not publish, and even provides them with articles which they must print, or else suffer temporary or permanent suspension.

"Home rule all around" is not the way out of the Austro-Hungarian labyrinth. A consideration of the following figures will show that conclusively. The whole population of the empire is 52,000,000; 28,000,000 in the Austrian half of the monarchy; 22,000,000 in the Hungarian part; and 2,000,000 in Bosnia-Herzegovina. According to the latest census, that of 1910, the population of Austria is divided as follows: Germans, 9,950,225; Czechs, 6,435,983; Poles, 4,967,984; Ruthenians, 3,518,854; Slovenes, 1,252,940; Serbo-Croats, 783,334; Italians, 768,432. The Germans, although numbering not quite ten millions, control the destinies of the nineteen millions of non-Germans. In Hungary, according to the

same census, there are 10,050,575 Magyars; 3,949,032 Rumanians; 2,937,434 Germans; 1,967,979 Slovaks, 2,939,638 Serbo-Croats; 472,587 Ruthenians.

It should of course be remembered that the official census is grossly inaccurate, and misrepresents matters in favor of the Germans and Magyars. For instance, there is little doubt that there are almost 8,000,000 Czechs, and almost 3,000,000 Slovaks. In any event, the Germans and Magyars together do not exceed 20,000,000, and rule over 32,000,000 of Slavs and Latins, who in this war are forced to fight the battles of their oppressors.

Does not this recital furnish sufficient proof that the very existence of Austria is a negation of the principle of nationality? If there is to be permanent peace, if, to paraphrase one of President Wilson's statements to the Senate, the world's life is to be stable, if the will is not to be in rebellion, if there is to be tranquillity of spirit, and a sense of justice, of freedom and of right, the Austro-Hungarian state must go, even as the Turk must be driven from Europe. "Home rule all around" would be possible only if the dual monarchy should be preserved in its entirety; but this would presuppose a continued violation of the principle of nationality and the right of the nations to choose the sovereignty which is to rule over them.

The Italians have a claim to the Trentino and a part of the Adriatic coast; the Rumanians claim Transylvania, the Serbs are entitled to Bosnia-Herzegovina; Croatia and Dalmatia should form with Serbia and Montenegro an independent Jugoslav state, and the Poles should be united with Russian Poland. These claims cannot be disregarded, but if they are duly observed, as they should be, the Czecho-Slovaks will be isolated, hopelessly outnumbered by Germans and Magyars in a smaller Austria, which will continue to co-operate with Germany in her imperialistic endeavors and constitute a foundation for another attempt to realize the Middle Europe scheme.

The only solution of the problem appears to be the joining of the fragments of those races, which already have their national state, to the parent races; the creation of an independent Bohemian state; of an independent Hungary, reduced of

course to its proper ethnical boundaries, permitting the Austrian Germans, in the purely German provinces of Austria, to decide their own destinies. They could either form an independent state or else be absorbed into the German Empire. This arrangement, by the way, would not strengthen Germany as some claim, since it must be remembered that if the principle of nationality is carried out to its logical conclusion, Germany will lose at least a part of Alsace-Lorraine and Schleswig-Holstein, as well as Poland, so that what she may gain on the one hand she will lose on the other. Moreover, the present stand of Germany against the whole world is made possible because she has control of the 32,000,000 Slavs and Latins within the Austrian empire; once these peoples are liberated, Germany will lose this reservoir of human material; she will be correspondingly weakened, and her imperialistic designs will be thwarted.

The future Czecho-Slav state will have a population of more than 12,000,000, of whom 10,000,000 are Czecho-Slovaks. It goes without saying that the rights of the minority would have to be protected, although the fact is that the Slav races have never been known for their attempts to impose their language and culture upon other peoples. This seems to be exclusively the trait of the Germans, who couple their designs of economic penetration with a policy of denationalization of the people of the territories they control, or intend to control.

From an economic point of view, Bohemia will have an assured future, for she possesses all the natural resources necessary to an economically self-sustaining state. While she may not have an outlet to the sea, the example of Switzerland shows that a port is not specially necessary for an independent state. Again, the principle laid down by President Wilson as to economic rights of way for landlocked states would apply to Bohemia, as well as to the need of Russia to obtain access to a warm-water port. Bohemia, owing to her geographical position, and being a link between western Europe and the eastern Slav world, is destined to be of great political and economic importance. The fact that Bohemia was able for many centuries to oppose Germanization, that she had not suc-

cumbed, although surrounded on all sides by powerful enemies, is the best proof of her capacity to oppose the pan-German plans of expansion toward the east in the future, and to serve as a bulwark of permanent peace.

The federal formula has become wholly inapplicable to Austria-Hungary. The rise of the spirit of nationality is equivalent to a death-warrant for Austria. The longer the execution is delayed, the longer we shall have a condition which the President described as the ferment of whole populations fighting subtly and constantly against a rule not founded upon the affections or convictions of mankind.

It is gratifying that official circles in this country seem to have recognized the necessity of dismembering Austria-Hungary if German imperialistic aims are to be thwarted, if Middle Europe, with its consequent enslavement of whole populations, is not to remain a fact, if permanent peace is to prevail. A dispatch from Washington, dated May 26, indicates that an agreement was reached with the British and French war missions insuring harmonious action of the United States with the Allies for the dismemberment of Austria-Hungary, this including the constitution of an independent Bohemia and the restoration of Rumania, Serbia and Montenegro, with Transylvania to be given to Rumania, Bosnia and Herzegovina to Serbia, and the Trentino and Trieste to Italy. This is a program which means freedom for the suppressed nationalities of Austria-Hungary and which will completely satisfy the American principle denying the right of existence to governments lacking the consent of the governed; for Czechs and Slovaks, by a solemn manifesto issued in Paris in November 1915, call for the erection of an independent Bohemian state; the Italians are hoping for the day when *Italia Irredenta* will be redeemed; the Rumanians expect the war to bring freedom to their brethren still suffering under Magyar oppression, and the South Slavs of Austria pray for a united Yugoslavia. This is not a policy of annexations, but simply a policy of justice. In this program the administration deserves the support of all people who think clearly and are not in the grip of obsolete formulas. It is an American program.

## SMALL NATIONALITIES

### DISCUSSION <sup>1</sup>

MR. PAXTON HIBBEN, Former Associated Press Correspondent in Athens: I have just come from Greece, where I have been for the past twenty months. If you had any idea of the extent to which five censors are operating between here and Athens, you would perhaps have reached the same conclusion that I do, that the American people are not only uninformed about the conditions in Greece, but woefully misinformed.

We are prone to confuse in our minds democracy with the governmental form of republicanism. A country is called a republic—China, for example—and we at once leap to the conclusion that it must be a democracy. One party in a country declares for a republic—as in Russia today—and at once we are all in sympathy with that party, which we feel must stand for democracy. Yet it may stand for anarchy.

Today in Greece a handful of astute politicians have set up a self-styled republican form of government in rebellion against the constitutional government of Greece. They represent no consent of the Greek people—but they represent the interests of several great powers. Therefore they are protected and financed, and it is possible that they may be officially recognized by the great powers whose interests they serve. The Greeks of constitutional Greece are coerced and starved, and their territory is seized by force by foreign powers. We, who fight the war for democracy, stand by and see this done because it is done in the name of a republic. The name is the thing! Call Venizelos, the revolutionary leader in Greece, a president, and he may lay waste the whole of Greece with no other sanction than the bayonets of our allies. Let some historian discover that Nero was a president, not an *imperator*, and the burning of Rome will be looked upon as a Fourth of July celebration.

It is for this reason that there is such grave significance in the President's declarations; first, "That governments derive all their just powers from the consent of the governed, and that no other powers should be supported by the thought, purpose or power of the family of nations." This is, I take it, the charter of democracy as we conceive democracy. Now, second, its guarantee: "That the community of interest and power upon which peace must hereafter



depend imposes upon each nation the duty of seeing to it that all influences proceeding from its own citizens meant to encourage or assist revolution in other states should be sternly and effectually suppressed and prevented." Without this guarantee, not only is democracy not safe, but the "rights and liberties of small nations" are lost the moment it is found to the advantage of a larger and richer state to finance revolution in a small nation with a view to controlling the army, the commerce or even the territory of that small nation, through a new government to be imposed upon the small nation with or without the consent of the governed.

We either fight this war for "the rights and liberties of small nations" or we do not. We are carrying the standard of democracy, or we are not. It is futile to give voice to rhetoric; in this war, people believe deeds, not words. It is waste of breath to tell the German people that we are at war with their imperial government because we are convinced that it does not represent the consent of the governed, if we wink at the suppression by our allies of a government which does represent the consent of the governed. The Germans convict us of hypocrisy at once. They laugh at our pretensions to defend "the rights and liberties of small nations."

I am referring to the case of Greece. I have just come from Greece, where I have spent very nearly two years, and I know what I am talking about. There is a constitutional government in Greece which ninety per cent of the people of Greece support. I know that they support it, for I have seen them support it by force of arms against the armed forces of three great powers. I have seen them bear hunger and death from starvation in their support of this government. It is not material whether the Greeks have an elective monarchy or a republic as their government. It is, however, not only material, but it is the acid test of the sincerity of our declarations of our intentions in this war that the Greeks shall have whatever government they may decide, without outside interference, is the government they desire. Any other basis of decision in the Greek question is a basis of the interest of other states than the Hellenic state. Any other influence save that of absolute freedom of choice is an influence, in the words of President Wilson, proceeding from the citizens or still worse the governments of interested states, meant to encourage and assist revolution in the Hellenic state. As such it should be "sternly and effectually suppressed and prevented."

I cannot see that it makes one whit of difference whether the sympathies of King Constantine are with the Germans or not. One of

the ideals of civilization for which we are fighting this war is that every people has a right to decide its own destinies, uncompelled by anyone—our enemies, our allies or ourselves. And unless we see that the people are allowed to exercise that right in complete freedom, we are mere phrasemakers in our declaration that we fight for the "rights and liberties of small nations."

The Greeks have the right to decide whether they wish to enter the war or not. It took us two years and a half to decide. The Greeks must be protected in their right to decide their course without coercion. I am not going to mince matters. They are being coerced today. They are being starved today. The truth about their situation is being suppressed by an interested censorship. Civil war has been sowed in their country, not by Greeks, but by greater powers, our allies. From what I have seen in Greece I have no hesitation in saying that the revolutionary forces in that country are so far from representing the consent of the governed that the revolution could not last a week, were it not for the support of foreign cannon and the foreign money that has been poured into the coffers of the revolutionists by our allies.

It was by such foreign influence that the liberties of Hungary were destroyed in 1849. It was by such methods that Poland was dragooned into submission in 1830 and 1863. It was by outside pressure that the home rule of the Czechs was defeated in 1848. We may as well look the facts in the face. If democracy is to be made safe as a result of this war, it is we, the people of the United States, and we alone, who must do it. Nothing in the history of the nations of modern Europe, either of our enemies or our allies, indicates that any element save that of national interest will dictate the terms of peace or the conditions in Europe which may follow the war. With the exception of ourselves and the Japanese and the Italians, perhaps, not one important nation is fighting for anything but life. The cause of democracy is in our hands, and ours alone.

I have one word to add. Since the thirtieth of last September, there has been a virtual blockade of Greece, and since the first of December there has been an absolute blockade of Greece. I do not know how the Greek people live today, but I know that they have put all their effort into sowing their fields, into planting enough wheat and barley to see them through the war. I know that in a month these harvests in Thessaly will be ripe, and the people of Greece, who have been starving for six months, will have a chance to live again. I saw yesterday a despatch from London saying that the revolution-

ists were insisting upon marching to Thessaly and seizing this grain which belongs to the people of Greece. Let me tell you one thing, that the Allies should not allow the revolutionists to seize this grain which was planted by the Greeks of old Greece for their own livelihood. If they do, you will see a thing which might well have taken place in the days of old Greece. You will see the people of Greece burn their crops before they will turn them over to those who have raised their hands against them.

I have no interest one way or the other in the matter of who rules Greece, King Constantine or Venizelos, but I have that interest which all of us ought to have who love freedom and the right of peoples to decide their own destinies—I have that interest in the matter of allowing Greece to decide what she wants, and not the English or the French or the Germans or the Austrians or anyone else.

DR. THEODORE P. ION, formerly Professor of International Law, Boston University Law School: I shall just touch on three points. The first point is that the Greek nation could not have existed without the help of the three great powers of Europe—Great Britain, France and Russia. By a special treaty signed in 1832 these great powers granted independence to Greece, and by the terms of the protocol of 1830 those three powers had the right to send troops to Greece.

The second point is this: When the great powers of Europe intervened in Greece in 1863, because the Greeks on account of their democratic views, had sent away their king, the powers suggested to Greece that she elect a Prince of Denmark, who became George I. By the Treaty of 1866, these same powers guaranteed to Greece a constitutional government. The great question that has been raised in Europe is whether King Constantine has violated that constitution.

In March 1915 Venizelos was in favor of intervention by Greece on the side of the Allies. He asked the king to call a crown council, that is, a council of the former prime ministers, and he submitted to this council the proposal that Greece form an alliance with the powers against Germany. Every one of the former prime ministers was personally opposed to Venizelos, yet all agreed that Greece ought to join with the Allies. The only exception was a pro-German, who thought Greece ought to lean toward Germany and Austria; nevertheless he advised the king that since Venizelos was the leader of the majority, it was the duty of the king to allow the cabinet to carry out his policies. I may say that under the Greek constitution all

powers are derived from the people, and the king has no right to impose his own personal will or to direct the policy of the country.

The king did not agree with the policy of Venizelos, and because of the disagreement Venizelos resigned. The king called to power another politician, and an election followed in the month of June 1915. During a three months campaign the catchword of the opponents of Venizelos was: "Vote for Venizelos, and you go to war; vote for the king's policy, and you do not go to war." Upon that issue Venizelos again came in with a great majority. After many delays Venizelos was again made prime minister in August 1915.

Nevertheless Constantine refused to enter the war. In October 1915 the question became acute. Bulgaria mobilized, and Venizelos demanded of the king that Greece mobilize, in fulfilment of her treaty with Serbia. After much bickering, the king yielded, Venizelos remained in power, and Greece mobilized. When Bulgaria was about to attack Serbia, Venizelos spoke in the legislature, explaining the treaty with Serbia, and indicating that Greece would stand by Serbia even though it brought her into conflict with German troops. It was the latter statement that provoked the king, and he asked Venizelos to resign again. This Venizelos did. Under these conditions the people were still with Venizelos.

I should like to explain the Greco-Serbian treaty in a few words. That treaty was signed on the eve of the Second Balkan War, between Greece and Serbia against Bulgaria. Venizelos, fearing that Bulgaria was going to attack, had tried to conclude a treaty with Serbia. After some hesitation, Serbia submitted a draft treaty, providing that in case of attack by a third power, the allies should jointly defend their respective territories. Greece objected that this third power might be Austria, and Serbia replied that such was the case. None the less Greece finally signed the treaty. Now it was well known that if Austria attacked Serbia, Russia would take the side of the latter, and in that European war the natural position of Greece would be with the Allies. That argument was used by Venizelos in the cabinet council presided over by the king. Therefore, when Greece signed the treaty she knew perfectly well that it would apply to a general European war, although the king and his party and cabinet ministers had many times said that it referred to a Balkan war only. I am ashamed to say that Greece has shamefully violated her treaty obligations with Serbia. When I say Greece, I mean of course, not the people but the king, who, on account of his German tendencies and opinions, prevented the Venizelos government from carrying out its treaty obligations.

The third point is, why should the Allied Powers coerce Greece? I omit the question of the treaty, which was one grievance against Greece. Besides that, the Allies discovered that the Greek government was helping Germany. It was offering Germany submarine bases in many parts of Greece. It surrendered the important fortress of Rupel to the Bulgarians for the purpose of allowing them to get around the Allied army, and expel it from Saloniki. In that case there is no doubt that Austria would have gone to Saloniki, which would have been lost to Greece. That is the reason why the Greek people not only were not displeased with the occupation of Saloniki by the Allies, but so grateful that Kitchener and Senator Cochin were received with great honors, the latter being offered the citizenship of Athens. If the people were against the Allies, why should they offer the citizenship to Senator Cochin? These, then were some of the reasons that justified the blockading of Greece by the Allies.

MR. FABIAN FRANKLIN, New York: We have heard from two gentlemen who in some sense represent Greece, one by birth and one by recent residence. I do not pretend to know anything more about the Greek situation than everyone is bound to know from the daily press; but as Americans we are interested in this matter in a somewhat broader way than concerns any question of truth or veracity.

Mr. Hibben began by saying that we had been prevented from hearing the truth on account of the intervention of five censorshipships. I cannot recall that he availed himself of the opportunity to correct our ignorance by stating a single fact except his own conviction that ninety per cent of the Greek people were with Constantine. He said he had seen the Greek people standing behind their king. We know what that means; it depends on the people who are seen standing behind the king, or on the predilection of the man who makes the statement. Every one of us knows that Venizelos was considered the idol of the Greek people, was elected by a great majority, went out of power, again submitted to election, and was triumphantly returned.

Here was a nation in which, under a government whose constitutionality neither Constantine nor anybody else denies, Venizelos was elected in the first place, and then triumphantly re-elected on the specific war issue. There was an immense national sentiment expressed in favor of the course he stood for. Constantine unconstitutionally reversed this decision. Under these conditions, at the crucial moment of a war which was going to determine the destiny of the world, the Allies stood confronted with the fact that the

government of Greece was in the hands of persons inimical to their interests, and in their opinion, faithless to the Serbian treaty. Should the Allies, confronted with that situation, have left the government in the hands of a monarch opposed to them?

Mr. Hackett spoke somewhat sarcastically of all this talk about small nations, and referred to the insincerity of those who do not practise what they preach. In that respect the Declaration of Independence is the greatest outrage ever committed since the world began; for half the people who signed the Declaration of Independence were slave-holders. Yet we meant what we said in the Declaration of Independence. We did not live up to it any more than we live up to the Sermon on the Mount, but we tried to, and finally we did. The question is not whether the Allied nations are perfect, not even whether England has been perfect in its treatment of Ireland, but what is to be the outcome of the position they take. Ask yourselves whether it would be better if the Declaration of Independence had never been written, because it contains that declaration that all men are created equal.

MR. D. J. THEOPHILATOS, New York: Speaking in the House of Commons on May 10, Mr. Bonar Law stated that the Greek king has the support of the majority of the Greeks who bear arms. The Greeks who bear arms are the voters of Greece; Mr. Bonar Law's statement is therefore virtually a candid admission that the majority of the Greek people do not want a dictatorship under Venizelos, but do support the constitutional government of Greece under King Constantine. Just what has the government of King Constantine done to incur the wrath and the measures of coercion applied by the defenders of the rights and liberties of small nations to the Hellenic people?

First, on the occasion of the third Austrian invasion of Greece's ally, Serbia, in the fall of 1915 the constitutional Greek government took the stand that the Greco-Serbian treaty, being of purely Balkan scope, did not require Greece to destroy herself by coming—futilely, let it be added—to the aid of Serbia. I emphasize the fact that this was the third invasion of Serbia, because on the two previous occasions when Serbia was invaded, Venizelos was prime minister of Greece, and as prime minister held that the Greco-Serbian treaty did not require Greece to come to the aid of her ally Serbia in any save a purely Balkan conflict. No one in Greece except Venizelos maintains that the Greco-Serbian treaty required Greece to destroy herself

in the fall of 1915, and even Venizelos himself maintains this thesis only as a purely political argument, when it is a policy for whose failure he need not take the consequences.

One further point, however, in the matter of this treaty. Treaty or no treaty, King Constantine was ready in the fall of 1915 as he had been in the spring of that year, to fight against Bulgaria or Turkey or both, under the conditions laid down by the Greco-Serbian treaty itself—that is, with Serbia in a position to confront the Bulgarians with 150,000 men. Unfortunately, Serbia's greater allies had left her virtually without assistance so that she was in no position to fulfil her part of this contract. King Constantine was so ready to fulfil Greece's part that he was willing to have France and Great Britain take over Serbia's share and supply the required 150,000 men. This they agreed to do, and Serbia therefore refused to make a separate peace with Austria. Greece mobilized to be ready to add her strength to that of France and Great Britain in defense of Serbia. Then what? France and Great Britain actually sent to Saloniki not 150,000 men but 38,000, and the British portion of this insignificant force was without orders to leave Saloniki for Serbia, nor did it ever march into Serbia. Had Greece entered the war at that time, she too would have been crushed by the German impact. Serbia would not have been aided, nor would the Allied cause have been forwarded; but, on the contrary, Germany would have had 50,000 square miles of Greek territory to add to her conquests.

So much for the the Greco-Serbian treaty. Now for the allegation that King Constantine has violated the Greek constitution. That is not the most liberal charter in the world; the Greeks themselves complained bitterly of its illiberality when Great Britain, France and Russia forced it upon the Hellenes in 1832, and they have liberalized it many times since, on their own initiative and without either the assistance or the prompting of the so-called protecting powers. But even today the king of the Hellenes cannot violate it, because article twenty nine of the document itself definitely states: "The person of the king is irresponsible and inviolable, and his ministers are responsible."

The charge is that King Constantine violated the fundamental charter of Greek liberties by dismissing Venizelos as prime minister in October 1915. Article thirty one of the Greek constitution reads: "The king appoints and dismisses his ministers." The king was deliberately endowed with this power with the idea that he should exercise it on occasions when he felt that his ministers did not represent the will of the Hellenic people, as in this very instance.

On the other hand, article ninety nine of the Greek constitution reads: "No foreign army may be admitted to the Greek service without a special law, nor may it sojourn in or pass through the state." Yet on September 21, 1915, Venizelos, then prime minister of Greece, invited a foreign army to "sojourn in the state," without the authorization of either the *Boulé* of the Hellenes or of the constitutional sovereign of Greece—and Sir Edward Grey, in an official declaration in the House of Commons has stated that Venizelos did so.

There is one other point. It is true that France, Great Britain and Russia aided Greece to gain her independence. So did the United States; but the United States does not demand on that account the right to administer our internal affairs, to override our courts, to appoint our police commissioners, to censor our letters within our own country, to control our railways and our ports. The exercise of such powers is not compatible with the independent sovereignty of any country, large or small. These things are being done in Greece today—in the name of democracy! It is against just such action on the part of the Allies that we Greeks, loyal to our constitutional government, protest to America, the champion of the rights and liberties of small nations.

GEORGE WHITELOCK.<sup>1</sup> American Bar Association: I do not mean to attempt elucidation of the great problems under discussion at this remarkable conference. Whatever I say at this juncture must be in the nature of personal observation. I must confess that I have had a great sense of hopelessness about the whole project of amicable international adjustments. A number of personal incidents abroad in the last ten years had confirmed my sense of despair. I attended a meeting of the International Law Association ten years ago in Berlin, and was a guest at luncheon in a private house, where the German oak was sympathetically intertwined with the roses of England in compliment to British members of the association, guests on that occasion. The expressions of amity and good-will on the part of our host were charming and convincing. But when at a business meeting of the association he protested, in what I conceived an eloquent speech, against the hard feeling then developing in Prussia against Great Britain, the sporadic applause by the Prussians was the first note of warning to me of the impending conflict.

<sup>1</sup> Introductory remarks as presiding officer at the evening session, May 29.



Two years afterward I was in Budapest at another meeting of the same association. The then Prince of Bulgaria was there for conference with the late Emperor of Austria and King of Hungary concerning the proclamation of himself as czar of Bulgaria. The purpose of the prince's visit was unknown. I sat opposite him at the opera, and after studying him for four hours, said to myself, "You will never do anything in this world"—so dull he seemed. But within a few days I saw him at Sofia on his return home, and within a week he had proclaimed himself czar. Thus opened the wonderful drama which was staged thereafter in the Balkan peninsula, a drama whose final act is the tremendous war now prevailing in Europe.

Then five years ago I went to Paris, where I met a friend who had once declared his determination to devote the rest of his life to the cause of international peace. On this occasion he told me of the effective arrangements being made among the different nations of the world to ensure the success of the cause. He was convinced that there would never be another great outbreak of war. His was not the vision of the prophet.

Two years later I prepared an address for delivery in September 1914 before the International Law Association at The Hague. It was actually printed, but the contemplated meeting in the Peace Palace was abandoned and an angry cannonade was resounding across the border on the date fixed for my address. And so I have felt despondent about the whole subject. The war is actually upon us; that war has made the eternal topics once more current. We are back again to consideration of fundamental psychological truths. War and its avoidance is one of those topics. Whatever may have been my past sense of hopelessness, the words of wisdom and moderation to which I have listened at this meeting, like the sense of patriotism here prevalent, are full of encouragement for the future.

It is time to shake off the old American apathy and indifference to the affairs of the world beyond the seas. We are beginning to do it now. It is our function to help America realize that the day of apathy is gone; that we too are in the gigantic struggle; that we are a part of the great world, and may never again cease so to be.

President Butler has truly said that we must learn to give up the habit of parochial thought, and think internationally. That is the lesson we are acquiring. When we have paid the premium of vast sacrifice on the battlefields of Europe for the insurance of American safety in future; when we have secured that safety by paying the last full measure of devotion, then our people will realize their place in the world and their responsibility to humanity.

## DEMOCRACY AND OPEN DIPLOMACY <sup>1</sup>

OSCAR S. STRAUS

Former Ambassador, Member of the Permanent Court at The Hague

THE two subjects of the morning, open diplomacy, and the effect of censorship in foreign relations have a very close relationship to each other. I should prefer to entitle our subject, the need for closer relationship between the machinery of diplomacy and the will of the people.

Mahan, who has written so learnedly and ably on force in international relationships, makes an antithesis between law and war. Those words describe briefly the great issue of the present world conflict whether future relationship shall be controlled by the powers of war or of law. The league to enforce peace, instead of making force and law the opponents of each other, would utilize the powers now employed in war to sustain law. The possibility of doing this will depend on how this war ends.

The world cannot be safe for democracy so long as there exists one dominant or potent power under the guidance of rulers who recognize no moral obligations in international relationship. This conception is by no means new. On the contrary, it is the original imperialistic conception. In other words, it is purely and simply the doctrine of might. In this imperialistic philosophy of nations, there is no room for the recognition of any moral standard in international relationship. This philosophy, in its logical conclusion, leads either to world domination by a single state or to international anarchy. It is because in international relationships imperialism to a considerable extent continued to dominate, that we find the standard of morals between nations is so far below the same standard within nations, that we find within nations

<sup>1</sup> Introductory Address delivered at the morning session of the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

a well-ordered system of civil society, and between nations so large an element of anarchy.

This element of anarchy is especially to be noted in the low standard of morals which justified the conclusion of secret treaties between separate nations, in direct conflict with general treaties made by groups of states at the end of wars involving many countries. I refer for illustration to the Congress of Westphalia after the Thirty Years War, the Congress of Vienna after the Napoleonic Wars, and the Congress of Berlin after the Turco-Russian War. The various plans for maintaining the peace of Europe broke down, first, because European nations concealed their international engagements from the people, and second, because the international standards were such that it was not regarded as contrary to public morals for individual states to make separate treaties in direct conflict with the treaties negotiated at such congresses. The world will never be safe for democracy or for any other form of government, so long as the diplomacy of states is under the cloak of secrecy and concealment.

When the chief states of the world were ruled by autocratic governments, ambassadors were sent from one nation to the other, not so much for the purpose of promoting friendly relations, but more for the purpose of international spying. That has never applied to America. American diplomacy, because of its directness and openness, was often not seriously regarded; it was styled "shirt-sleeve" diplomacy. We followed that method because it was in consonance with our democratic ideals and because we were little concerned with the intrigues of European states. John Hay defined the policy of our diplomacy as governed "by the Golden Rule and the Monroe Doctrine." It has ever been purely mutual and defensive.

Let us hope that as a result of this war it will be possible, as the President has said, to form "a partnership of democracies"—a league or concert of nations. One condition of such a partnership must be good faith. In order to insure good faith there must be no secret treaties; no treaty should become effective until confirmed by the representatives of the people. The United States was the first country to establish

this principle by providing in its Constitution that no treaties should be binding until confirmed by the Senate, which in practice makes the Senate part of the treaty-making power. It is true that treaties are often considered in secret session, but if we are to have open diplomacy, the secret sitting of the Senate, even when dealing with treaties, will have to be abolished.

It is not the machinery of diplomacy which is so much in need of reconstruction as the method of employing the machinery. The method should be democratized so that the people, through their chosen representatives, may have a voice in making, confirming or rejecting their country's international engagements and policies. This method is possible only among democracies. Even among democracies it will fail unless the constituent nations forming the partnership observe good faith. The observance of good faith would in a large measure be safeguarded if parliamentary ratification should be made a prerequisite to the validity of treaties and no treaties should be effective until they had been transmitted to all the other members forming the partnership.

## DIFFICULTIES OF DEMOCRATIC CONTROL OF DIPLOMATIC NEGOTIATIONS<sup>1</sup>

DÓMICIO DA GAMA

Ambassador from Brazil to the United States

THE current notion that diplomacy is the art of gravely disguising facts under pleasant words is one of many careless definitions composing the precarious fund of popular wisdom. Indeed public opinion seems to thrive on general impressions and to like vagueness. The explanation of this taste for bold and unconfirmed assertions may be that vagueness encourages discussion, and discussion, not action, is one of the characteristics of democracy, of which public opinion is an essential element. Another pleading for the ill-defined and vague notions that encumber our minds came from the brilliant pen of Prevost-Paradol, when he wrote that "asses alone have only clear ideas." Now, I do not wish to cast a reflection upon the mental conditions of those who make public opinion, but it seems to me that they are too assertive, although their assertions are not less hazy and uncertain than mere guesses. Notwithstanding its constant changes, public opinion is the foundation of popular wisdom, and this leads us to believe that popular wisdom is built upon error, upon unverified impressions, creations of desire and imagination.

This brief aggressive preamble does not express the resentment of a diplomat against the popular misconception of his rôle and character in the comedy of world politics. On the contrary, I rather enjoy this occasion of making a few remarks, very few and cautious, upon diplomacy as it is supposed to be, as it is in reality, as it should be. It is certainly better to charge anonymous public opinion with errors of judgment than to slight the philosophical mind of our friends.

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

And besides if there were no errors to point out, there would be no occasion for assemblies of the wise and thoughtful, no speeches full of good doctrine, no exchange of ideas about the solution of problems of common interest like those studied at this conference. Many years ago I heard that master of eloquence, Emilio Castelar, say that from the oratorical point of view the world was becoming too good, since there were only petty evils left to be attacked in fiery outbursts of rhetorical indignation. He certainly died too soon, as the present times might have shown him that the dragon of iniquity is still alive and rampant among men. He would also rejoice in the number of defenders that justice and right have found all over the world, among whom the hosts of diplomacy make such a brave array.

And this brings me to the point that in time of need diplomacy may also assume the fighting mood and dare to face facts and even to call them names, an attitude not wholly in accordance with the popular conception of diplomatic dealings. It appears on the contrary that, being on the first line of national defense, the diplomats were the first to shoot. The exchange of courtesies of the battle of Fontenoy of old was not observed this time; they started pelting each other with hard truths, that hurt sometimes but are seldom deadly missiles. Was this an infraction of the rule that places the diplomats among the cautious and courteous professional liars? No, indeed. The rule for the diplomatic agent is to speak the truth, his word being deemed sufficient to engage his government's responsibility. Truly there are some among the diplomats who permit themselves to disguise the truth, alleging either self-defense or reasons of state, invoking that antiquated and odious theory that the end justifies the means, claiming a moral code for states different from the one binding individuals together. We know by experience the harm brought upon the world by such a strange combination of the spirit of Machiavelli, Talleyrand and Bismarck, mixed and amalgamated into a Jesuitism without charity. And I wonder if it would not be advisable to include in the program of the next peace conference the adoption of an international code of honor for the diplomatic

career, one of its rules disqualifying for the service those who might bring into it their personal habits of insincerity and deceit. We might be deprived of the collaboration of some able men who cannot play politics if they have to play fair; but then we owe to the countries we represent the sacrifice of brilliancy to seriousness and dignity, and the nations would be better served if all their agents abroad were as jealous of their personal credit as any broker at the stock exchange, or a lawyer before the courts of justice.

Of course I have in mind some whom such an international code would prevent from sitting with us around a table in conference, although we should be glad to have them on the other side of a house of congress as adversaries. The reason is obvious. Representatives of parties eventually contribute toward the welfare of the country by the dispute of power, but to conquer power is their first and principal objective; representatives of governments in collective conferences or in separate negotiations seek agreements that, by conciliating different interests through mutual concessions, promote good feeling between their countries and develop the spirit of international association around a common work, that to be durable must be devoid of personalism and built upon realities. This is why able lawyers and capable political men often fail in diplomacy; they cannot resist the force of habit of winning cases or the temptation of carrying a point in a debate on an international issue. There is a well-known phrase about diplomatic victories that should be written on the walls of the rooms where diplomats meet, if only as a reminder that they need to refrain from putting themselves and their petty ambitions ahead of the countries they represent, and the common interests that it is their mission to foster.

One should not conclude that these warnings against personal impulses in diplomatic transactions somehow justify the popular discredit of diplomacy as an instrument of progress and betterment in international relations. We might as well condemn engineering or medicine because some bridges fell or some people died through the ineptitude of builders or physicians. And undoubtedly more lives pass and more piles

crumble through incapacity of doctors and engineers, than treaties fail by lack of proper care at the hands of diplomatic agents. Only, failures in diplomacy are more remarked, as they are transactions involving national interests and the future of the parties engaged. When we consider the importance of the stakes and the complexity of the game, playing against men, not against natural forces, the wonder is that there are so many good players in diplomacy. In fact they are directed from home and seldom are authorized to "use their own judgment"—a prestigious phrase that fills the man with elation, although it never carries him very far—but information of the conditions, an eye for opportunity, and an unprejudiced mind in dealing with other men, are precious factors for the successful conclusion of a diplomatic transaction.

I know that I am inscribed upon your program to speak about open diplomacy: democratic control of diplomatic negotiations, and I also know that you do not expect me to take the suggestive theme literally, and discuss it to exhaustion. Your courteous attention should not be taxed to that extent. I will therefore only say that my experience of the subject does not encourage the hope that such control may ever become effective. There is indeed an open diplomacy for the people, through the press, when, as the saying is, we "play to the gallery." The democratic influence upon that kind of diplomacy is only indirect. One might call it electoral, or magnetic—mysterious, anyhow, not open in design, dealing in expectations. Needless to say that results are of less importance in such cases; notoriety is what matters. I suppose that nobody cares for this kind of open diplomacy that easily turns into publicity and means self-advertising. The other, the real thing, does not bear much publicity while in course of preparation, if it is to make headway. Representative régimes are based upon confidence. The practical rule of the division of offices and convergence of efforts would be impossible without trust. Advices coming from every quarter would paralyze any action that is not resolved to tear away fears and apprehensions from outside. Philosophically, the man of action should be deaf, because philosophical minds are



inclined to consider and weigh every objection, and the time for action is lost in consideration. There is the story of Buridan's ass to illustrate vividly the deadly equilibrium of a scrupulous mind. The other day I asked a five-year-old child with whom I am relearning life why he did not run both ways, and he promptly replied: "Because that would stop me and I want to run." A wise diplomat could not say better. Perhaps, if he had an essentially conciliatory mind, he would stop to think and try to run both ways, thus losing time and prestige.

This is not intended to justify secretive diplomacy, which is or should be a thing of the past, when "high reasons of state" stopped curiosity or real patriotic interest at the door of the chancelleries. An exchange of trust is more in the spirit of democracy. Truly, discretion must be used in trusting, at the risk of admitting grades in a democracy. But, even if only temporarily and by representation, the will of the people has to be expressed and responded to through a limited number of advisers. By reducing this number to the moderate proportions of a council of state, we may expect an increase in executive efficiency, without impairing the principle of representative government. A measure taken in council cannot be held up to reproach as arbitrary, if that council constitutionally is an organ of national life. Nothing prevents the creation of such a national body unless it is the need of an amendment in our federal constitution to that effect. Through it, the democratic control of diplomatic negotiations would be insured and the responsibility of the executive shared with other organs of the will of the people. Diplomatic acts would not be open to public discussion while in preparation, but the negotiations would not be secret. And, who knows? perhaps the diplomatic agents whose functions are misunderstood by the public and their own governments, to the extent of their being often made mere commercial agents with additional facilities for information—perhaps the diplomats, finding recognition and support in public opinion, would finally be able to raise diplomacy to the standing and dignity to which it is entitled, being, as it is, the first line of national defense.

## THE NEED FOR A MORE OPEN DIPLOMACY<sup>1</sup>

ARTHUR BULLARD

Washington, D. C.

THERE is no question more important for the future peace of the world than the devising of means by which the will of the people may be made more directly and immediately dominant in foreign relations. I have read pretty extensively the advocates of the old-fashioned secret diplomacy. I find that most of their arguments in favor of undemocratic diplomacy come under two heads. The first is purely technical, and is well summed up in the early chapters of Mr. Lippmann's *Stakes of Diplomacy*. He points out with considerable force the difficulty of consulting the people in the rapidly moving affairs of foreign policy. While his argument on this point is a serious one, others have urged the same view in the form of the *reductio ad absurdum*. They have said that it is perfectly impossible to consult every man in the street. Of course, those of us who are seriously interested in this question of democratizing our diplomacy are not advocates of any such absurdity. It is a question, like all human questions, of more and less. What we are urging, is not that our diplomacy should be absolutely democratic, but that it should be more democratic than it is.

This argument of the technical difficulties in making the will of the people effective in foreign policy is the one argument which I have most often met, but there is another argument against open diplomacy, which might be called the President's argument. A great many things happen in foreign affairs which would, if generally known, stir the spirit of war. I believe that the President had a profound desire to keep us out of war, and that he therefore kept from the public a knowledge

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 20, 1917.

of many things which would have been immediately resented. He tried, I believe, by the use of discretion in regard to foreign relations, to preserve a spirit of peace, feeling that the stirring-up of the people would lead to war; but the answer to that is obvious—that even such guarding of the people from the spirit of war has not kept them out of war.

Those two are the only serious arguments against democratic control which I have encountered. I do not believe that those arguments are the reasons. I think that the reason why our diplomacy here in America, as in the democracies of Europe, continues to operate along the old monarchic lines, is primarily one of inertia. It started that way, and nobody has changed it. It is almost amusing to read today the diplomatic correspondence of the world, and find what an antique tone, what an antique phraseology, has come down to us from the old days, and no one has brought it up to our modern standards. The democratization of life does not follow any uniform course. In every nation you can find out how in some aspects it is more democratic than other nations and in some aspects much less democratic. In all the democratic governments that new movement started by the great revolution has been slowest of all in penetrating the foreign office.

Since the great revolution and the liberalizing of the world, forward-looking men have been interested primarily in internal affairs. The democratization which has been engrossing all thoughtful men is democratization of industry, and it is typical that the liberals of the world were surprised by this war. They had been so interested in their internal problems that they did not give proper attention to their neighbors. To me that fact suggests the one hope of a better future growing out of this war. Never again in our generation will the liberals of the world be indifferent to foreign affairs.

The invasion of the world has not been merely geographic; it has not been merely the overflowing across frontiers. All of our life has been invaded from the outside, all of our pet projects, all of the things for which we have been striving have been attacked from without. We have got to watch beyond the border, and if we do, if we put the same ardor for

better things into our international relations which we have been expending in this effort to improve our internal conditions, the machinery will form itself. After all it is not so much a change in machinery as a change in spirit that we need. We must, and I believe that we will be interested.

There is one other reason, as distinguished from argument, for secrecy in diplomacy. It is not the greatest reason, but it strongly dominates the minds of some people who are opposed to any reform in our diplomatic methods; and that is, the privilege of secrecy. It is a matter that we have had to fight out in our business life. Many business deals are easier to effect if you don't have to tell anybody about them. In our industrial life we have had a constant fight for more and more publicity; we have discovered that it is not for the common weal to allow our large corporations, our large insurance companies, to operate in secrecy. Just so we shall have to insist, and as we become more democratic we shall insist, upon publicity in regard to foreign affairs. It is too important, it touches too intimately our own lives, for us to be indifferent about it. Interest means publicity.

It is not only the wicked, however, who love darkness; it is also the slothful and the inefficient. There are a great many persons in the foreign offices of the world who would retire to private life if such publicity were introduced as I would like to see, and some of those persons who feel their own position rather precarious under such circumstances are among the strongest advocates of diplomatic secrecy. We cannot have efficiency unless we have responsibility, and it is a commonplace in diplomatic discussion today that innumerable mistakes have been made by diplomatic agents on both sides; but the proper ones have not been retired to private life because they have been guarded by the veil of secrecy.

Of course the very foundation of any democratic control in diplomacy, as in every other branch of politics, must be democratic understanding. It is not any change in the laws, nor any change in the rules governing the State Department which will bring about this better understanding. There must be a getting together, an intensive and persistent education; the

people must know about these things. We have already gone a long way from the provincialism of ten years ago. More people in the United States are interested in the world today than were ever interested before. Now, the government should stimulate this interest. Such conferences as this seem to me one of the greatest things that could be done for this cause of democratic control. People must understand the issue. The State Department must introduce itself to the public. It really is not beneath its dignity. The other departments in the government have done it, and the questions involved in the work of the State Department are not much more intricate than those involved in the work of the Department of Agriculture, which is a good example of how the departments can take the people into their confidence in regard to their work. We ought to know as much about the State Department and its problems and policies as we do about the other departments.

One of the most interesting books on war that I have ever read is that of von Clausewitz. It is all centered around one idea. Von Clausewitz is constantly coming back to the statement that war is a movement through a resistant medium. He pictures one type of general who makes a fine and intricate plan, and then does not carry it through, because of friction. Von Clausewitz lists all sorts of things as friction, such as bad roads, unexpected rain, misinformation. The plan, he declares, is only the smallest part of the work of a great general; such a general is the man who can grit his teeth and force his plan through the resistant medium.

The same necessity for forcing plans through exists in time of peace. Life itself is movement through a resistant medium, and this is certainly as true of this campaign for democratic control of diplomacy. The friction which must be overcome is in some cases a sincere belief that it is unwise to trust the people; in some cases it is rank stupidity. If we are going to win this campaign for democratic control, it has got to be by gritting the teeth and pegging away against the resistance. It will not do for us simply to discuss a proper method of diplomacy; we have got to have the will to force it through.

## A PLEA FOR AN UNCENSORED PRESS<sup>1</sup>

FREDERICK ROY MARTIN

Assistant Manager, Associated Press

WE may now turn from diplomatic discussion to newspaper crudities, and discuss the subject which, gauged by hours, has taken more time in Washington since the declaration of war than any other. The House of Representatives is discussing it this morning and probably will be discussing it tomorrow morning. I am confident that nothing will be added to the plea for a liberal censorship that John Milton made several centuries ago. The morning topic, the need of better machinery for international negotiations, may properly include a discussion of censorship, though I approach it with a plea for the minimum censorship, and hence the least possible machinery. The punster's observation that the only ship whose loss we need not mourn is the censorship, expresses the view, not only of many progressive journalists, but of many thoughtful statesmen.

Eliminating from consideration the publication of strictly military or naval movements over which all recognize the need of censorship in war time, an impressive if not a convincing argument may be made that that government feels that a censorship is most valuable which has the most to conceal. President Wilson's argument that "there are some newspapers which cannot be relied upon to suppress information whose publication can be an injury" can be accepted without contradiction as a reason for censorship if it be assumed that "injury" means detriment to military or naval progress. It was merely unfortunate perhaps, that at about the same time when the President issued the statement, the newspapers should have been told by the Department of State, or rather, through

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

the Committee on Public Information, that "The Department of State"—I am again quoting—"considers it a dangerous service to the enemy to discuss differences of opinion between the Allies and difficulties with neutral countries," and they added—I try to measure my words—with childish innocence, that "speculation about possible peace is another topic which may possess elements of danger, as peace reports may be of enemy origin, put out to weaken the combination against Germany."

That suggestion of the State Department caused the cabinet, in its fight for unlimited censorship, to lose the sympathy of its last newspaper supporter in the city of New York, as that newspaper gave up the fight this morning. If the cabinet carried that through, you could not hold this conference. Our State Department surely could not imagine a press that would not speculate about a possible peace; at least the Hohenzollerns have not suppressed such discussion in Germany, and surely the Romanoffs did not succeed. We may, perhaps, pass this cautionary suggestion of the State Department as ill digested—it must be.

Granted that a military censorship in war time is necessary, what further restriction of the press is desirable? I venture to assert that no additional precautions are desirable. I sarcastically express the hope that men holding public office will not announce that they have discovered some startling destroyer of submarines, and make other absurd statements. Up to date it seems to me that the greatest indiscretions committed in publicity since we declared war, were made in a speech in the Senate by the chairman of the Committee on Foreign Relations, and by a gentleman who has the distinction of being the head of one of our advisory committees in the national defense movement. I presume to maintain then, that further regulation than military needs require is most likely to be injudicious. The veil of secrecy creates mistrust, and that chancellery is most generally believed which seeks to conceal the least.

Such statements seem absurdly simple when made. May I state a few instances of some possible interest? When Great Britain in the first year of the war appointed a diplomatic rep-

representative to the Vatican, the censor—the censor then was like the Queen in *Alice in Wonderland* — “Off with their heads!”, or like the censor in Barrie’s play, dressed in black and carrying an axe, but saying nothing—the censor instructed the British press that he would not allow the publication of any comment upon this important appointment, but merely a simple announcement of three lines. Immediately the fact that there was no comment upon this unusual appointment created gossip. Men talked about it everywhere, and no less than twenty societies in one county in England deemed it worthy of heated, even acrimonious discussion, and many of them passed resolutions condemning the censorship for such action.

I talked with one of the most influential members of the British cabinet and asked him the reasons for the warning of the censor in this instance. In substance he said, “It is all incredibly stupid. Having established an elaborate machinery of suppression, some of my colleagues regard it as necessary to annoy and irritate as many people as possible. They may at any moment order that the prime minister’s speeches be suppressed.” Two weeks later, some British censor did actually delete certain portions of one of Mr. Asquith’s addresses which I endeavored to cable to the United States. I called it to Mr. Asquith’s attention, and he laughingly disavowed any intimate knowledge of the mental operations of the censors except to say, “It must be a very trying thing to be compelled to sit still and not be able to use the only two weapons you have, the blue pencil and the scissors.”

Turn to the Irish situation. When the effect of the treatment of the Irish press is carefully considered, one may learn a great deal as to why Erin has been the crucial test of the British union. Many have believed that political conditions in Ireland have not been so bad at all times as imagination has painted them, but that the censor has merely feared to let out the truth. I myself visited Ireland when most people in London believed that revolution was rampant. Dublin, Cork, Queenstown, Belfast, were as peaceful as I had ever seen them, but the censors were then forbidding journalists to write about conditions in Ireland.



Take the case of India. There were at the end of the first year of the war, countless rumors of sedition, mutiny, revolt and famine. They grew. Undoubtedly there was much truth in them. How much we did not know, but the mutiny of a hundred grew into the general supposition that it was a revolt of millions. After six months of effort, permission was obtained to send one trained American journalist to India, on condition that he could go where he pleased and write what he pleased, and that his articles should not be censored if they made no reference to military developments. So far as I know, he is the only foreign newspaper man who has visited India during the war. I would not wish to magnify too much the importance of his work, but I would point out that I personally have not heard a rumor of sedition or famine in India since his forty articles appeared. The difference of course is immediately suggested when we think of Armenia. There are no journalists in Armenia free to tell the uncensored truth.

Take a more recent instance in our own country. When diplomatic relations with Germany were severed, and of course before the declaration of war, the departure of Ambassador Gerard from Berlin was delayed by the circulation of reports that German ships had been seized in New York and other harbors of the United States, that German sailors had been interned, and that other similar belligerent acts had been committed. We can surmise how these inaccurate reports reached Germany. But meanwhile in New York the representative of the press association in Germany which corresponds most closely to the Associated Press here, was endeavoring to send by wireless to his own country the truth, which was, of course, that ships had not been seized, that no Germans had been interned, and that the policy of our government had been to extend every possible consideration to the hundreds of thousands of Germans in this country. The naval censor held that message up for several days. He, like Mr. Asquith's censor, sat there with his blue pencil and his scissors, and he had to do something.

A more recent instance: When Marshal Joffre's first announcement in this country was given to the press, it was

changed. The State Department declared that it was not responsible and that the only change was made by the members of the French Commission itself. The General Staff made a similar announcement. Both announcements were true, but they did not give the whole truth. I have compared the French text of the Marshal's remarks as cabled to France within a few hours of the completion of his remarks, with the version given to the American press after the change had taken place. Somebody had suggested a change. It was a stupid, if not a discourteous act. Sending American troops to France does not seem so radical a plan now as it did even a few weeks ago, and it might have been statesmanlike, even military, and surely it would have been more hospitable, to pretend that we could understand the French language which the Marshal of France used to express his undoubtedly sincere convictions.

The impairment of public confidence that goes with drastic censorship is incontrovertible. Golden Rule diplomacy and an unrestricted press, except in military matters, go necessarily hand in hand. When the Romanoff dynasty failed, the flow of truth stunned us. I could hardly credit it when there came in over the cables to our New York office, uncensored, from Petrograd, a reference to the former Czar as "the weakest of the Romanoffs," and the story of that dramatic visit to his prison which will send him down into history as the emperor who shoveled snow. Autocracy has failed there. Freedom may fail for a while, but the whole truth is now before us. There is no censorship in Petrograd. Even reckless speech may be a moderating influence, whereas drastic censorship chokes the safety valve. My plea then is simply for the least possible censorship machinery.

## THE VALUE OF A FREE PRESS <sup>1</sup>

JOHN TEMPLE GRAVES

Editorial Representative, Hearst Publications

I AM delighted to have discovered, as this discussion has gone forward, that the speakers are as one upon the theme with which it is my pleasure and privilege to deal, the question of the censorship upon international relations. Every speaker so far has advocated an open diplomacy, not a diplomacy of secretness, subtlety, evasion and deceit, but a diplomacy of the open hand and the open mind, the diplomacy that represents our modern times, the diplomacy that has always won and must always win, the diplomacy that was first exemplified in our own national history by Benjamin Franklin, who never had a superior in the field of foreign relations. Representatives of the diplomatic profession have shown that the spirit of open diplomacy is the spirit of an open and free discussion of current events. The experience of these eminent and distinguished gentlemen has convinced them that directness and openness and freedom are the best means to accomplish things, and has set the seal of diplomatic approval upon the free press for which I and these other representatives of the press are here to plead today. First of all, then, I thank the diplomats who have preceded me for the splendid contributions which they have made unofficially but effectively to the argument for a free and uncensored press.

The alien and sedition laws were the first effort made in this republic to restrain and censor the press. These laws drove John Adams from power. Abraham Lincoln was persuaded by his secretary of war, Stanton, because of the criticisms which compassed the early career of Lincoln, to adopt a censored press, and the policy came very near to losing even that great

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

and beloved American his second nomination. As we progress through history we shall find that this experiment has never succeeded, and has never been vindicated by its results.

Today this question is before Congress. Such splendid representative Americans as Borah of Idaho, Johnson of California, Lodge of Massachusetts, Reed of Missouri, Knox of Pennsylvania, and Hoke Smith of Georgia are standing resolutely against the restricted press and restricted freedom of speech as a menace to the liberty and best development of the republic.

Never before have we been in such a position toward foreign nations as we are in today. Never was it so absolutely necessary that we should know those nations by whose side we now fight. Here we are, a coalition of allies of different bloods, of different ideals and different aspirations, fighting an alliance of almost one race, one type and one ideal. It becomes absolutely imperative that we should know one another, that we should learn to see and think alike. We must get together with our allies in a better common understanding of our aims and purposes; for mutual understanding is absolutely necessary to knowledge and co-operation. This can be accomplished not only through diplomacy but through the voice of the press, speaking for the people of France and England and Russia and America. Without mutual knowledge and understanding, there will inevitably come to this nation and to those nations, suspicion and distrust; and suspicion and distrust, either in this nation or between nations will inevitably destroy common purposes and ambitions.

We do not narrow this question locally. England and France experimented with the censorship. If England had known in the beginning the terror of the German submarine, if that knowledge had not been held aloof by a censored press, England would have hoarded her vast supply of foodstuffs, and would not stand today in the danger of starvation. It was only when the untrammelled and fearless voice of the Northcliffe newspapers broke over the barriers of an enforced censorship and told the truth, that England awoke, and awakening, set herself to work. France at last is fighting in the light of

publicity and knowledge, fighting with a gallantry and unselfish devotion that will make her for all future ages the model of gallantry and devotion.

We must before long realize that we cannot have a censorship among this great people of ours. The pitiless light of publicity must be shed upon every scandal, that it may be rebuked, and upon every blunder, that it may be corrected. There must be no restriction upon our public opinion, because in the might of a united, well-directed and intelligent public opinion must rest the unity and the hope of this republic. I am convinced that we will not tolerate the suppression of free thought and free speech. This republic was not made for that repression.

Moreover, the censorship is not deserved by those at whom it is particularly aimed, the body of Washington correspondents. For twenty years it has been the custom of public men in Washington to speak with boundless confidence upon the most important and serious public affairs to any newspaper man who would accept that information as given in confidence and secrecy. It is to the glory of that body of American citizens, that from that day to this no confidence of any public man has ever been betrayed.

In recent instances the self-imposed censorship of the American press has vindicated itself. The newspaper men of Washington and of the country kept so secret the time of the departure of Joffre and Viviani that those distinguished foreigners were safe in Paris before Americans knew even that they had left our shores. Today Balfour is going back to his home without a word as to the time and place of his departure, owing to the self-imposed censorship of the newspaper men. Now, it is suggested in this proposed censorship that we shall not discuss the conditions upon which peace will be made, our terms or the terms of England or France or our other allies. I do not believe that the American people will tolerate that. I believe that we are going into this war not as the President's war, not as a statesmen's war, but as a people's war. It is a war that is to be carried on by the people, and they have the right to know and to let the world know the ideals for which

we fight, and the conditions and terms upon which we are willing to make peace, and upon which our allies are willing to make peace. Thus if they are too arrogant and aggressive, our conservatism may modify their arrogance and aggression, and if we are too complacent and willing, their stern resolution for the ideals for which they fight may strengthen and invigorate ours.

I do not believe this free republic would endure a suppression of speech in important crises. Born to liberty of thought and its expression, it would be maddening to our people to sit in silence and ignorance of great events. Have you who take journeys on railways ever been held up by an unaccountable delay? Silence and ignorance of the cause of the trouble have made it impossible to take the matter calmly. If the cause of the difficulty is explained to you, you are quieter, simply because you know. But if you are forced to sit in ignorance, you will begin to vent your discontent on your fellow passengers, condemn the corporation, organize a memorial of protest, or seek legal action for redress—making the germ of revolution. There is always the germ of revolution in a censorship that hides fact and information in serious crises from a free people.

## CENSORSHIP AND OPEN DIPLOMACY

### DISCUSSION <sup>1</sup>

MR. PAUL U. KELLOGG, *The Survey*: Mr. Martin has called attention to the effort to stretch censorship from its legitimate sphere of military facts to cover comment, and from war operations to cover the discussion of those purposes whose achievement will, to use President Wilson's phrase, "satisfy us that we have fought the war out." Yet we all know that in every nation of Europe the objects of the war and the terms of peace are being discussed. We have, in truth, been faced not only with a threat against old rights, but by a threat against that cohesion which Mr. Graves points out to be necessary among a large group of nations acting together, and against that common understanding which will be our best security in the period following the war.

In our social movements we can sometimes gauge the task before us by imagining a society organized to effect exactly opposite ends to our own. A housing reformer once visualized the fight against the white plague by imagining what the program of a Society for the Spread of Tuberculosis would be. It would hold fast to dark rooms and narrow airshafts; it would promote the construction of dumb-bell tenements and "lung-blocks;" it would campaign for closed windows, for overwork and underfeeding. So a Society for the Perpetuation of War, or for the Unnecessary Prolongation of this War, would first of all set out to keep the people of each nation from knowing how those of every other nation felt. It would snap the cables, cut off the posts, crush the free press, and by spreading on each side the most extreme utterances of anyone identified with the other side, each would be personified to the other in its worst representatives. Thus Berlin imperialists, in order to bolster up their hold on the people by spreading a dread of national annihilation, see to it that the most savage imperialistic wing of the English press circulates unhindered throughout the empire. And nothing would so make for weakness among the Allies as misgivings concerning their mutual commitments in war aims, such as would be provoked by hindering the free interchange of opinion not only among the governments but among the general public.

<sup>1</sup> At the morning session, May 29.

If we go back to the philosopher of the Russian autocracy, the old-time procurator of the Holy Synod, we get the key to such a policy. "You must keep Russia frozen," he said, "or it will become putrid." By that he meant that the different peoples, Poles and Finns and Cossacks and the rest, should be kept in ignorance of one another, and arrayed against one another, and racial hatreds should be fostered, so that the czar, playing them off against each other, using one to crush another, might continue to hold sway over these vast groups of people.

Apply this to the war situation, and we see the need for common exchanges between all the peoples of the Allies. For the processes of democracies are the reverse of those of autocracy. The nations must understand one another; they must recognize that their objects are kindred. You cannot unite selfish purposes on the one hand and unselfish purposes on the other without creating misgivings. The first subject on which to seek such a basis of common understanding is a restatement of terms which shall reckon with the fact of the Russian Revolution which has repudiated the dreams of conquest of the old despotism, and which shall reckon with those elevated aims stated by President Wilson on America's entry into the war. Such a statement of common purposes would make for national integration in this country; it would make for national strength in Russia, and it would make for a unity among the Allies.

Such a fresh statement of terms, such a unity in democratic purposes freed from aims of territorial aggrandizement, such an interchange of points of view would react powerfully upon the situation in Central Europe, for nothing would do more to paralyze the power of the Junker class, in their hold upon the liberal and democratic forces of Germany, than to remove the impression that the whole world is banded together for the annihilation of the German people. The laying of that bogie would be worth as much as ten army corps in bringing success to the cause of civilization and democracy.

Finally, in the period after the war, this fight that the journalists and newspapers of nation after nation are making for the freedom of the press from a coercive censorship ought to be translated into a great claim for the security of the world for all time. With the freedom of the seas we should link freedom of communication of intelligence for the century ahead. We must make the channels of communication safe, so that the currents of democratic thought and opinion, flowing freely through those channels, can make the world safe for democracy.



PROF. PHILIP MARSHALL BROWN, Professor of International Law, Princeton University: It would be a calamity if we abolished secret diplomacy, because then we should lose the lurid headlines in the newspapers. It appeals to the imagination; behind thick curtains we can see diplomats conspiring and trying to bring troubles into the world. It is a foolish idea, and I think there is a great danger in our emphasizing it too strongly. May I call attention in that connection to the rare charm and the profound wisdom of the paper read to us by His Excellency, the Brazilian Ambassador?

I want to emphasize the helplessness of democracy in foreign affairs. If we lead the people to believe that they are capable of deciding the great questions of diplomacy in the market place, we are inviting disaster. Moreover, I believe in the traditional attitude of the American people, namely, confidence in their government in the administration of foreign affairs. An example of that was the Vera Cruz incident. Not many of the American people, I believe, wanted to go into Mexico at that time, and yet Congress gave the President of the United States power to go in and do whatever he thought necessary. That was typical of the attitude of the American people, that in matters of foreign affairs we are helpless, and must trust our chosen representatives. To my mind we are violating the principle of representative democracy, if we maintain the right of the American people to control foreign diplomacy directly.

Perhaps, however, we are agreed while we seem to be disagreed. Several of the speakers have said that they were criticizing not the machinery, nor even the methods, but the spirit behind it all. I don't care who carries a stick of dynamite, whether it is a child or a woman or a man; everything depends on the purpose for which the dynamite is going to be used. We should recognize the necessity for a decent reticence, a wise reserve, and a certain degree of secrecy in the conduct of all human affairs. We should not criticize so much the method as the spirit behind it. In our criticism of secret diplomacy we aim at the motive which inspires the policy of governments.

MR. DIXON MERRITT, Nashville, Tennessee: Since Professor Brown has spoken for secret diplomacy, it does seem a pity that there should be no defender here of the censored press; therefore I want to make that sort of advocacy for just a moment. What colonel Graves has told you of the fidelity of newspaper men is absolutely true, and it is true not only of the Washington correspondents, but of newspapers everywhere. An old bishop said to me not long ago

that ever since he entered the ministry he had made it a rule to take newspaper men into his confidence, and that not a single one of them had ever betrayed one of those confidences. When you take into consideration the fact that many of these are not men but young boys, without experience, hired for fifteen dollars a week, that is a remarkable thing.

So, all over the United States, there is a body of newspaper men who have been brought up to keep confidence; but there might be a situation in which they thought they were keeping a confidence, and yet were not. I rate myself in the matter of discretion fairly high, and yet I can conceive of circumstances under which my zeal might get the better of my judgment. I can even conceive that Colonel Graves, in one of those bursts of sublimated impulse, might editorially say something not exactly discreet. I take it that no newspaper man is in favor of a drastic censorship of the sort that would absolutely keep the press from conveying information to readers; but I do think that even newspaper men themselves realize the absolute necessity, under some circumstances, for a reasonable and limited censorship. The real question may not be whether we shall have any censorship at all, but what sort of censorship we shall have.

EDWARD T. DEVINE, Professor of Social Economy, Columbia University: I am against censorship except for military matters; I am against secretive diplomacy; and I am against the breaking-down of protective labor legislation in the interest of increased output in factories, although I recognize that all three of these things are advocated or practised from what are believed to be patriotic motives. However, I believe that at the present moment the great patriotic service to be rendered by those who feel the national pulse and are in sympathy with the national purpose is nevertheless to insist that a censorship, secretive diplomacy, and the breakdown of protective labor legislation are contrary to national interests, and really injurious in their results, no matter what the motives of the people who advocate or practise them. I agree with Professor Brown that confidence in the executive is indispensable, but the question is whether that confidence shall rest upon misinformation and ignorance, or upon full information and enlightened public opinion.

The distinguished Ambassador who addressed us made a nice distinction between secretive diplomacy, which in common with the rest of us he repudiated, and confidential preparation of treaties or

diplomatic matters requiring expert action, in which preparation we can agree with him as with Professor Brown that confidential action is necessary. When an important surgical operation becomes necessary, it is often essential to have a confidential, possibly even a secret consultation between experts, from which the patient and the members of the patient's family may wisely be excluded. But there is no reason for a lack of full public information and knowledge of all the things in regard to medicine and surgery upon which the progress of those arts and their utilization for the common welfare depend.

This conference is called in order that the people of the United States may be encouraged and assisted to take a more intelligent and active interest in matters of foreign policy, in order that we may all understand better where our real interest lies in the progress of this war and in the development of our relations with Caribbean and South American countries, with Europe and with Asia. Such a purpose, I believe, is profoundly inconsistent with the old methods of secret diplomacy and a gagged press.

MR. DIXON MERRITT: I want to endorse what has just been said about confidential preparation of treaties. I have had some little experience in corporation work, and I know that no large corporation could carry on its business, or perfect any important transaction, if the stockholders had to be apprized beforehand of what it was going to do. The stockholders should know what the condition of a corporation is, they should examine its books and its affairs; but when it comes to making contracts, the stockholders cannot possibly know what is going on. That is exactly the condition of the American people and our government. We have a government run by men whom we elect to represent us, and we have to abide by their action in making contracts which must to a certain extent be secret. After that is done, I believe in the books being opened for everybody to see; but for the United States to carry on its diplomatic relations without having secrecy in advance, would be a physical impossibility. We should have missed some of the greatest deals that were ever made—for example, the secret purchase of Louisiana. Those things have to be done that way.

MR. MAURICE LÉON, New York: Public opinion in all countries has to be formed largely on the basis of information obtained by the great news-gathering agencies, and the arrangements among such agencies prior to the present war were of an inherently faulty char-

acter. One result of these arrangements, which I will describe in a moment, was that when the war broke out, the American people were unready for it. Very few on this side of the Atlantic knew how it had come about. We had newspapers of larger dimensions than those of any other country; they were filled with news acquired at a great deal of expense; yet much of the foreign news had come to us through channels that made it actually worthless.

The fundamental defect in news-gathering arrangements, briefly, was this: Each of the six great news agencies of the world had been given by the others full sway in its own field. It was a sort of gentlemen's agreement under which each agency relied on the others for all news of events occurring in the territories of the others. In addition, the German agency furnished all news which originated in the Balkans. When you bear in mind the fact that the Great War was planned in Germany and was started precisely in the Balkans, do you wonder that the American people were asleep as regards its causes? Furthermore, the great German agency through which we received all our German and Balkan news had created a network of agencies covering all the smaller countries of Europe. The so-called Swiss agency in Switzerland, the so-called Rumanian agency in Rumania, the so-called Telegram agency in Sweden, and so on, were really branches of the German agency. This was the way that particular gentlemen's agreement was kept by the Germans. When the war broke out, a German consular official took charge of the Scandinavian agency, and controlled everything which came from there. Some of us now realize that it is important not only to read news, but to determine where it comes from. With regard to international news, as with regard to international finance, however, most people do not actually go beneath the surface.

So-called information bureaus established by one country in another have been another German weapon of deception and intrigue. The best principle for interchange of news is that prevailing between the United States and its present Allies, ever since the first months of the war, under which American correspondents have furnished all the news that has come to us from Allied countries and *vice-versa*. Our own observers abroad did much to make us realize that our fate was at stake in the world war.

## PLANS FOR WORLD ORGANIZATION <sup>1</sup>

JAMES BYRNE

New York

“**I**N every discussion of the peace that must end this war,” said the President in his address to the Senate on January 22, 1917, “it is taken for granted that peace must be followed by some definite concert of power, which will make it virtually impossible that any such catastrophe will ever overwhelm us again.”

Mr. Balfour in the note supplemental to that of the Foreign Office in reply to the President's letter to the powers at war, on December 18, 1916, gives as one of the conditions of a durable peace “that behind international law and behind all treaty arrangements for preventing or limiting hostilities, some form of international sanction should be devised which would give pause to the hardest aggressor.”

Viscount Gray in a speech on October 23, 1916, said:

If the nations after the war are able to do something effective by binding themselves with the common object of preserving peace, they must be prepared to undertake no more than they are able to uphold by force and to see when the time of crisis comes that it is upheld by force.

What is the end for which we have been summoned to battle? It is the same for which the delegate from Corinth called upon the allies of that city to enter upon one of the Peloponnesian wars:

Vote for war; and be not afraid of the immediate danger, but fix your thoughts on the durable peace which will follow. For by war peace is assured, but to remain at peace when you should be going to war may be often very dangerous. The tyrant city which has been set up in Hellas is a standing menace to all alike; she rules over some of us already, and would fain rule over others. Let us

<sup>1</sup> Remarks as presiding officer at the afternoon session, May 29.

attack and subdue her that we may ourselves live safely for the future and deliver the Hellenes whom she has enslaved.

Lord Bryce has told us that if the opportunity which the close of the present conflict will offer for the making of laws to forbid future wars be lost, another such may never reappear; and Mr. Balfour has said that the contrivance of the machinery for enforcing methods of carrying the general scheme into effect, will tax to its utmost the statesmanship of the world. The people must be convinced that the opportunity will not be lost, that the machinery will be contrived, and contrived before it is too late; they must be convinced that if they win the war they will not find when the enemy is in their power that their leaders are only beginning the work of preparing for peace.

Many plans of world organization have been proposed for making this "the war that will end war."

President Wilson in his letter of December 18, 1916 to the belligerent nations, says that "the nation is ready to consider the formation of a league of nations to enforce peace and justice throughout the world," and in his address to the Senate on January 22, 1917, he says:

Mere agreements may not make peace secure. It will be absolutely necessary that a force be created as a guarantor of the permanency of the settlement so much greater than the force of any nation now engaged or any alliance hitherto formed or projected that no nation, no probable combination of nations could face or withstand it. If the peace presently to be made is to endure it must be a peace made secure by the organized major force of mankind.

Ex-President Roosevelt in a paper written in the first months of the war proposed a plan of a league which he felt would be "a working and realizable Utopia." All civilized nations able and willing to use force shall join in a world league for the peace of righteousness. The principle of this plan is that the civilized nations should by compromise and approximation to justice agree upon some living basis and then scrupulously observe the terms of that agreement. The rules for the league would have to accept the *status quo* at some given period, "for

an endeavor to redress all historical wrongs would throw us back into chaos."

The League to Enforce Peace, of which ex-President Taft is the head, proposes a league of nations binding the members to agree upon a plan whereby the league does not undertake to compel performance of the judgment of the judicial tribunal or the adoption of the recommendation of the court of conciliation, nor does it undertake to forbid any member after the making of the award or recommendation to go to war over the matter in controversy. All that it undertakes to do is to use pressure, and if necessary military force, against the member who does not live up to its agreement to have its claim submitted and passed upon by tribunal or conciliation before going to war.

The World Court League differs from the League to Enforce Peace only in the respect that it does not propose to use pressure or force even in the limited cases in which the League to Enforce Peace provides for its use. One of the leading exponents of the purposes of the World Court League says:

There is good hope that an international executive may be developed and there must, of course, be a constabulary or police force large enough to keep order and to represent the power and the majesty of the united nations of the earth—there will be no more suggestion of war in this than there is in the existence of municipal or state police.

Many extensions of the purposes of a league to enforce peace have been proposed. Mr. H. G. Wells, for instance, says it is all very well so far as it goes.

But so far is not enough. It ignores the chief processes of that economic war that aids and abets and is inseparably a part of modern international conflicts . . . We must go further and provide that the international tribunal should have power to consider and set aside all tariffs and localized privileges that seem grossly unfair or seriously irritating between the various states of the world. It should have power to pass or revise all new tariff, quarantine, alien exclusion, or the like legislation affecting international relations. Moreover, it should take over and extend the work of the Inter-

national Bureau of Agriculture at Rome with a view to the control of all staple products. It should administer the sea law of the world, and control and standardize freights in the common interests of mankind. Without these provisions it would be merely preventing the use of certain weapons; it would be doing nothing to prevent countries strangling or suffocating each other by commercial warfare. It would not abolish war.

Then there is the proposal for a world parliament by those who believe that the League to Enforce Peace and the World Court League provide too much for the settlement of controversies and too little for their prevention and that a world legislative body is at least as important as a world court.

All the plans which I have now hastily run over are those of men who think there should be some form of world organization which did not exist before the war.

There are, on the other hand, many men whose position is that the relations of the nations of the world should go on as if there had been no war and that there should be no league of nations, certainly no league entitled to call upon its members for military or economic pressure to carry out its commands. The general feeling uniting men of this class is that expressed in the comment of Castlereagh a century ago upon the proposals of Alexander for a European league, that a limited alliance for certain definite purposes is one thing, a universal union committed to common action under circumstances that could not be foreseen is quite another. The off-hand opposition usually heard to such leagues as President Wilson or Mr. Roosevelt or Mr. Taft have suggested is that men and money should not be spent on "European or Asiatic quarrels in which we have no concern." The thought-out objection to such leagues comes from men who, while quite aware of the force of the argument that in the future there will be no European or Asiatic quarrel "in which we have no concern," cannot even in the face of the great events of the last three years change the mode of thought of a lifetime. They were familiar before the war with proposals similar to those now made for leagues of nations and alliances of great powers for the purpose of controlling the world in the interest of peace, and they made up their minds



then that it was not by such means, if at all, that the objects aimed at were to be attained. They are convinced that without radical experiments in world organization there will be after the war a very great opportunity to improve the relations to one another of the nations of the world. They believe that the internal changes in European countries and the greater uniformity among them of political institutions and ideas will make it difficult to hurry a country into war unless its people really wish it; and they believe that the people everywhere are even wearier of war than they were at the end of the Napoleonic Wars, and for many years will wish only for peace. They believe too with the English jurist, W. E. Hall, who foresaw this war nearly thirty years ago and said that while it would be unscrupulously waged it would be followed by increased stringency of law.

In a community, as in an individual, passionate excess is followed by a reaction of lassitude and to some extent of conscience . . . it is a matter of experience that times in which international law has been seriously disregarded have been followed by periods in which the European conscience has done penance by putting itself under stricter obligations than those which it before acknowledged.

Anyone who has followed in the most casual way the discussions of the plans which I have mentioned, knows how far from being understood they are and how great are the differences of opinion as to the consequences which would follow from the adoption of any one of them. But it is of the utmost importance that they should be clearly understood and that there should be, when the time comes for action, as united a public opinion as possible in favor of one of them.



# FUTURE PAN-AMERICAN RELATIONS

- I. THE UNITED STATES AND THE CARIBBEAN
- II. THE MONROE DOCTRINE AND PAN-AMERICANISM
- III. MEANS TOWARD PAN-AMERICAN CO-OPERATION



## COMMERCIAL AND FINANCIAL INTERESTS OF THE UNITED STATES IN THE CARIBBEAN <sup>1</sup>

EDWIN M. BORCHARD

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THE United States emerged from the Spanish-American War a world power. Something like a century later than England, we have experienced the same evolution from the agricultural to the industrial stage, and thence from the mercantile to the financial stage. With these larger responsibilities, and our transition from the status of exporters solely of raw materials to exporters of manufactured products, came the quest for world markets and our competition with other manufacturing countries. Instead of having to engage in a struggle for distant artificial markets against seasoned nations who had already staked out their colonial and commercial claims, geographical accident has placed us in close proximity to natural markets in the western hemisphere in which our political, military, commercial and financial interests combine to give us a predominating influence.

The command of trade routes has always been one of the stakes of diplomacy and the present world catastrophe in its essence is very largely due to the effort of an established power to prevent a new competitor from laying out a new route to the Near East. With the opening of the Panama Canal, the Caribbean has been raised again, as it was three centuries ago, to a commanding position among the trade routes of the world. All our interests, economic and political, merge in keeping this region as an American sphere of influence for the peace of the western hemisphere and for the welfare of the people of the United States. The success of our Caribbean diplomacy will be measured by the ultimate political stability we can bring into

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

that troubled region, the expansion of its foreign trade, the development of its natural resources and the greater investment of American capital in its local enterprises. We must frankly recognize that the rights of small states and of government by the consent of the governed, of which we have recently heard so much, have never been a consideration or factor in our Caribbean policy, nor has the social regeneration of a backward people, who constitute the bulk of the population, yet had any tangible manifestations.

The Caribbean is, roughly speaking, bounded on the east by the Windward and Leeward Islands and the Bahamas, with certain other British possessions, and a few French and Dutch possessions; on the north by a long stretch of large islands, including Porto Rico, the Dominican Republic, Haiti and Cuba; on the west, by the Central American countries; and on the south, by Panama, Colombia and Venezuela.

The region has certain characteristics in common which have had an important influence on its relations to the United States. It has been the world's most prominent storm-center of revolutionary turmoil. Literature has immortalized some of these states as the domicile of the professional revolutionist and dictator. Most of them are democracies in name only. The chronic disorders from which some of them have suffered first made necessary that administrative or financial control which we have found it expedient to exercise, for example, in Nicaragua, Haiti and San Domingo.

Again, the majority of them are agricultural countries of one or two principal crops of some foodstuff, secondary in nature rather than basic. For example, cane sugar, of which the Caribbean countries are the greatest exporters, is the main resource of Cuba, Porto Rico and some of the British colonies. Bananas are the staple product of Jamaica, Honduras, Costa Rica, Panama, Cuba and other countries. The bulk of the sugar and banana industry is in the hands of American capital, and it naturally finds its principal market in the United States. Fifty per cent of our sugar and practically all our bananas come from the Caribbean region. Coffee, which is grown principally in Haiti, San Domingo, Guatemala, Colombia and

Venezuela, goes mainly to Europe in normal times. The region is, furthermore, a source of supply for some of the world's best tobacco, cacao, asphalt, cotton and minor products. The mineral deposits of Central America have been only slightly developed; and the substitution of oil for coal as the great motive power is bringing to those countries the romantic quest for oil—with considerable success in Venezuela and some other countries.

Many of these products, particularly sugar, bananas and oil, or enterprises like railroads, can be profitably exploited only by vast corporations, who control by concession or otherwise large areas of land, transportation systems, both rail and water, and an immense supply of cheap labor. Such commercial control of the sole or principal natural resource of a weak country leads easily to political control of the functions of government, the danger of which the United States has not been slow to recognize. It is only a short step from private investment in a railroad or in a large concession for the exploitation of a weak country's important resources to the exercise of a sphere of influence by the home government of the investor; and the sphere of influence easily merges into political control. Hence the adoption by the United States of its Caribbean and particularly its Central American diplomacy of encouraging American enterprises, which would promote our political interests. We have discouraged the pre-emption of special interest by European concessionaires, and have obtained a considerable measure of recognition for our policy from European and Central American governments. The danger of a foreign investment becoming political and bringing about international complications has led the United States, in certain countries where our interests would be seriously affected, to seek to control the amount of debt those countries may contract and the character of concessions they may grant to foreigners.

Naturally such a power must be equitably exercised to receive permanent recognition. It is not generally known that many a foreign concession in Central America or the Caribbean is first submitted unofficially to the State Department to avoid subsequent interference on the ground of infringement of our

political prerogatives, or—in our character of trustees for our weaker neighbors—because it takes unfair advantage of an exploited country.

The foreign investor thus avoids the speculative risks of former days, the Caribbean country is saved from oppressive exploitation or its own improvidence, and the United States avoids any impairment of its sphere of influence or any temptation of foreign governments to call into question the Monroe Doctrine. The Lodge resolution, designed to keep harbors on the American continent free from foreign control, merely emphasizes the economic interpretation of the Monroe Doctrine. It will be recalled that our disapproval of the Pearson oil concession in Colombia induced these important British interests to withdraw from the field. On several occasions, our State Department has refused its approval of plans for the refunding of the debt of Honduras, when combined with exorbitant demands for concessions for railroads, public lands, mines and other privileges.

In practically all the countries bordering the Caribbean, except certain British and French colonies, the United States constitutes the natural market for the greater part of their exports and in turn furnishes them with the larger part of their imports in basic foodstuffs and manufactured articles. Except in the case of Cuba and Porto Rico, we have not sufficiently adjusted our tariff to derive the greatest benefit from the geographical proximity of the Caribbean countries. The Canadian preferential tariff of 1913, which has drawn many of the British West Indian products to Canada, and the French-Haitian reciprocity treaty indicate that other countries have been alive to the advantages of a profitably adjusted tariff in countries that for them can hardly be called a natural market.

Our growing interests in the Caribbean have imposed upon us important police duties in the maintenance of order in that frequently troubled region. Its strategic importance has resulted in a constant increase in our naval bases, which now include Key West, Guantanamo, Porto Rico, St. Thomas, Panama, the Bay of Fonseca, and will undoubtedly, notwith-



standing the protestations of the present administration, include Mole St. Nicholas in Haiti. With the extension of American control from the Cuban and Porto-Rican legacy of 1898 to the Haitian protectorate of 1915, which policy has placed so many countries of this region under the more or less protecting ægis of the United States, the political stability of these countries has steadily improved.

Foreign investment cannot be attracted to, and will not thrive in an atmosphere of political unrest. Nicaragua, Honduras, Haiti and San Domingo have therefore repelled what they needed most in their development, namely foreign capital. It has thus been the principal problem of the United States to bring about such a condition of financial and political stability that capital would be attracted to the Caribbean field. Our interposition in the matter has in each case been occasioned by some special circumstance or opportunity which required prompt action and which was then extended to include the larger aims which have remained fundamental principles of our Caribbean policy. The maintenance of the Monroe Doctrine was only an incidental motive of our intervention in San Domingo, Nicaragua and Haiti. Common prudence and the promotion of our interests and those of our weaker neighbors would have prompted the same course.

All the countries of Central America have heavy debts on which, at times, they have been unable to meet interest and amortization payments. Honduras, indeed, with its debt of \$125,000,000, is hopelessly bankrupt and will never pay the principal of its debt. Refunding operations, with a scaling-down of debt, have been frequent in other countries. Their political weakness, the need of money on any terms, and the impecuniousness of successive dictators, caused large loans to be contracted at amazing discounts in price and high interest rates, for which the debtor countries realized but little. For example, the bulk of Honduras's debt was contracted for railroads, and today the country has but a few short "streaks of rust" to show for it.

Between European bondholders and concessionaires a very considerable foreign influence has often been exercised.

Friction arising out of pecuniary claims has frequently occurred between the foreign interests and the local government. The demands of these foreign claimants, insistent upon satisfaction, have compelled the United States to interpose between the foreign claimant government and the weak defendant government in the character of a self-appointed *amiable compositeur*, or receiver in bankruptcy. The Venezuelan claims of 1903 are still fresh in mind. In 1905, when the foreign debt of San Domingo had risen to \$32,000,000 and her credit was destroyed, the pressure of foreign claimants became so great (accompanied as it was by war vessels) that the Dominican president turned to the United States for relief from the situation. Our own interests in a satisfactory adjustment of the difficulty led us to effect a composition with creditors, negotiate a refunding loan of \$20,000,000 in the United States, and establish by treaty an American receiver of customs, who collects the revenues, sets aside a certain amount for the customs administration and the payment of interest and amortization of the debt (at least \$1,200,000 per annum) and turns over the balance with certain deductions to the Dominican government. By this means the public revenues are placed out of the reach of the revolutionary despoiler or the dictator, and the primary motive for revolution is removed.

In Haiti, a succession of revolutions and counter-revolutions which brought into power, in a period of a few years, eight successive presidents, finally resulted in such disorder that the French landed marines in 1915 to protect their interests. This foreign action compelled the United States to take immediate control of the island and the government—incidentally, it would seem, without any constitutional warrant on our part. The inability of any Haitian president to survive without the support of the United States persuaded Haiti to accept a treaty which virtually established an American protectorate in Haiti for twenty years, and leaves that country with only the shadow of sovereignty. No such all-embracing treaty had ever before been concluded by this country. The United States not only undertakes to collect the revenues, but through a financial adviser it may practically determine what those

revenues shall be, for they cannot be modified without our consent; as in the case of Cuba under the provisions of the Platt amendment, Haiti cannot increase its debt without the consent of the United States nor contract any debts unless the ordinary revenues are sufficient to pay interest and amortization for its final discharge; the police force is under American control; the United States may at all times intervene to preserve order; and the United States undertakes to aid in the development of Haiti's natural resources.

Here again an opportunity has been presented to divert to the United States the advantages in the rehabilitation of Haiti's finances. Haiti's debt record is comparatively good. All three of her foreign loans, of 1875, 1896 and 1910, were floated in Paris and are quoted at prices yielding about seven per cent. But the assignment of special revenues for specific purposes now hampers the financial administration, which would be relieved by means of a new external loan. This could be effected in the United States on terms advantageous to Haiti (and this country would undertake the negotiations on her behalf), because United States control in the island is the assurance upon which the American investor will take the loan and be satisfied with a moderate yield.

The unratified treaties of 1911 with Nicaragua and Honduras contained similar provisions looking to the financial rehabilitation of those countries. The recent treaty concluded with Nicaragua gives her sufficient money to meet her pressing foreign claims, which threatened a serious test of the Monroe Doctrine, and gives the United States supervision of Nicaraguan revenues for ninety-nine years.

Porto Rico, Cuba, San Domingo, Nicaragua, Panama and Haiti are therefore, in varying degrees, under a financial and administrative dependency upon the United States. Results have shown that order has never been so well preserved, production so highly stimulated, foreign commerce so carefully fostered and the investment of capital so successfully encouraged. Notwithstanding the rather uninformed criticisms of "dollar diplomacy" at the beginning of the Wilson administration, the constant object of our Caribbean policy has been "to sub-

stitute dollars for bullets," to create in those countries a material prosperity to which their great natural wealth entitles them.

It is a function of government to guide foreign investment into channels where it shall be of greatest national benefit. The immense trade balance of nearly six billion dollars which has accrued to us in the short space of less than three years has effected a revolution in our financial position. To meet this enormous debit, foreign nations have sold to us about three billions of their government obligations, and over two billions of our foreign-held railroad, industrial, public-utility and municipal securities, besides paying one billion in gold. We have become a creditor nation and a permanent power among the world's bankers, with a resulting responsibility of making our contribution to the development of the resources of the world.

In this undertaking our government assumes an important function. The Caribbean countries will henceforth be directed to the United States, and not to Europe, for their loans. In several cases, our government has already taken a guiding hand in the negotiations. Conferences for the adjustment of the debt of Nicaragua, Haiti and San Domingo have taken place, not in those countries, nor in the offices of New York bankers, but in the Department of State and the Bureau of Insular Affairs. This process is bound to go on, and all signs point to a further control by the United States in the financial rehabilitation and the political and economic guidance of other countries lying between the southern boundary of the United States and the Panama Canal. Capital will be directed to finance the substitution of a gold-secured currency for the present unredeemable paper currency, from which Colombia, Honduras and Guatemala suffer particularly; to the improvement and sanitation of seaports; to the exploitation of economic resources; and to the investment of straight banking capital, for with immense discount rates, lack of adequate credit facilities, prohibitive rates for real estate loans, and the absence of any long-term accommodation, the expansion of commercial enterprise, which is justified by the great natural wealth of those countries, is seriously hampered.

The Caribbean policy of the last twenty years, which has begun to afford a measure of guaranty against political disorder and has laid the foundations for material prosperity in a normally disturbed region, should now be directed toward the encouragement of American capital to invest in those countries, with its resultant benefits to all interests concerned. For the United States, particularly, this policy will continue to promote our political and economic well-being in a region which now more than ever has become our natural sphere of influence.

In closing, it should be frankly admitted that the policy on which we have so successfully embarked is economic imperialism. We must be prepared, in supporting it, to encounter the dangers and risks involved. If it is some day challenged by other powers, sacrifices will be incurred in maintaining it. Nor should we be unduly shocked if other powers resort to the same policy in other parts of the world. A better understanding of the underlying currents and cross-currents of economic forces will do much to explain and, therefore, more equitably settle modern world problems.

# THE ATTITUDE OF THE UNITED STATES TOWARD THE RETENTION BY EUROPEAN NATIONS OF COLONIES IN AND AROUND THE CARIBBEAN <sup>1</sup>

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**E**AST and south of the United States of America stretches a long chain of insular and continental areas belonging to Great Britain, France and the Netherlands. One end of it is anchored in the ocean, 580 miles east of North Carolina; the other is wedged into Central America, midway between Florida and Texas, 450 miles to the southward. Starting at Bermuda and extending down to the north coast of South America, the chain runs through hundreds of islands, which if pieced together, would about equal Connecticut and New Jersey combined, thence through the Guianas, a region much larger than California, and around to British Honduras, a territory not far from the size of New Hampshire. The entire Caribbean area would just about fit into the New England and Middle Atlantic states, plus West Virginia.

In these dependencies of island and mainland live some 2,750,000 people, about as many as Indiana contains in an area less than one fifth as large. A more extraordinary mixture of races, colors and religions, a more singular juxtaposition of oriental and occidental, of folk from Europe, Africa, Asia and the South Sea Isles, all brought face to face in America, it would be hard to find anywhere in the world. Beneath the thin crust of a few thousand whites, of British, French, Dutch, Spanish and Portuguese origin, are massed millions of negroes and mulattoes, hundreds of thousands of Hindus, tens of thousands of Javanese, and thousands of Chinese, Siamese and

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

Indians. Here are black, brown, red and yellow Christians, Mohammedans and Jews, devotees of Brahma and Buddha, followers of Confucius, and worshippers of nature, transplanted from Africa and Asia, made dwellers in America, and yet owning allegiance to European masters.

The future of these lands and peoples is a matter of vital concern to the United States. The reason for it lies in the observance of the sound national principle that small areas located near the territory of a great power should belong to it, rather than to a distant country. Were such areas actually independent states having a strong national life, states whose achievements had long since won the respect and recognition of the world at large, as is true of several of the small countries of Europe, the principle, obviously, would be altogether inapplicable. Where, however, these conditions are not fulfilled, as in the case of the chain of insular and continental dependencies in America, extending all the way around from Bermuda to British Honduras, inclusive, the principle seems clearly befitting. In its application to this collective territory three parties are concerned, and three sets of interests would have to be adjusted. The parties are the United States, the present European owners, and the colonial inhabitants themselves. The interests have to do with the position of the United States as the chief among American nations; with the strengthening of the bonds of friendship between this country and Great Britain, France and the Netherlands, and with the welfare of the dependent peoples in question.

The Caribbean Sea is the gateway to the Panama Canal. Until recently there were four links in the European chain across its entrance. One of them has been acquired through the purchase of the islands from Denmark. Sooner or later the other three links must pass into the possession of the United States, and the Caribbean Sea be made into an American lake. Manifest destiny, the natural course of things, or whatever the term that may be used to mark the tendency of great powers to round out their defensible frontiers, will determine the matter in any event. If so, it behooves American diplomacy to start taking stock of the future. In the Carib-

bean region, and wherever else in fact American interests are vitally concerned, the United States should adopt as soon as practicable a definite policy, and abandon once and for all the drifting opportunism that only too often in recent years has characterized our foreign relations.

Now, just as there are three parties and three sets of interests involved, so there are three circumstances that should determine the attitude of the United States toward the retention by European nations of colonies in and around the Caribbean. The first circumstance is, that we need those areas ourselves; the second is, that the European owners do not; and the third is a natural consequence of the two preceding, namely, that the owners ought to turn them over to us for the good of all concerned.

Geographically the Caribbean colonies, using the expression broadly, belong to the American continents. Because nature happened to separate them by water is no reason why nations should separate them by claims, from the region of which they are properly a part. Because of their nearness to the territory of the United States and to the Panama Canal, and because of their remoteness from the territory of their possessors, this country has, and ought to have, a paramount interest in their destiny, both for its own sake and for theirs. Naturally and strategically a part of the United States, they are a potential menace to its welfare and security so long as they remain under European control.

At this point the objection may be raised, that neither to the United States nor to the Panama Canal is the slightest danger likely to arise from the fact that the colonies are the property of Great Britain, France and the Netherlands. The present relationship of this country to the two great powers in question, and our historic friendship with France above all, are a guaranty sufficient in itself to ward off any apprehensions about the future. It is inconceivable that either of them would ever attack the United States.

In reply to these contentions one may freely admit that, if no possible danger could exist that the Caribbean colonies would ever be used as a base of hostile operations against this



country, they might be left in the hands of their present owners. Obviously, however, this assurance cannot be guaranteed, no matter what the sentiment now prevailing between the United States and the three European nations in question. "It is a maxim, founded on the universal experience of mankind," wrote Washington in 1778, "that no nation is to be trusted farther than it is bound by its interest; and no prudent statesman or politician will venture to depart from it." International agreements and understandings are too easily changed under the pressure of new circumstances to justify a placid confidence in the notion that the hopes and desires of today are bound to become the absolute certainties of tomorrow. It was inconceivable that the Great War and all its horrors, with all the fundamental readjustments it has wrought in ideas, relationships, values and sympathies, could have happened. The inconceivable has happened, and will continue to happen just as long as men and affairs in this world are subject to change, with or without warning. But surely the United States need not be afraid of the little Netherlands. Neither was it afraid of little Denmark, yet it bought the Danish West Indies, nevertheless, for motives of prudence and a considerable sum in cash! Though we feared nothing from Denmark, of course, we could not be sure but that some power stronger, and in a position to be more ambitious, than that worthy bit of Scandinavia, might become interested in insular real estate near the American coast. Preparing for things possibly eventual, therefore, is a safer and wiser practice than dreaming about things presumably inconceivable.

The Panama Canal, be it said, was not constructed as an evidence merely of American facility in severing continents and uniting oceans. Neither was it built solely as a convenient economizer of time and space for the world's commerce. It is an American highway put through by American brains, American labor and American money for the general good of mankind in time of peace, and for the specific good of the United States in time of war. With the freedom of the seas it is free and correspondingly neutral; but so long as it is easily open to attack from islands and continental areas near by, which

belong to European countries at a time when the seas happen not to be free, it is neither neutral nor properly subject to neutralization.

The Caribbean areas resemble a huge pair of dividers or pincers, between the points or nippers of which are thirty degrees of latitude and thirty-eight degrees of longitude, and the head or handle of which rests on the Guianas. To be sure, we have certain islands lying in the region which can obstruct any tendency on the part of the dividers or pincers to close down on American land or American water; but obstruction is not by any means so effective a safeguard against seizure or compression by the big pliers, as would be our downright ownership of the pliers.

Here again it might be suggested that, instead of seeking to obtain possession of the Caribbean colonies as a measure of strategic defense for the Panama Canal, the United States should endeavor to ward off foreign cupidity by having the waterway neutralized. Such a suggestion, however, coming in the light of recent experience in the eastern hemisphere, takes on the garb of the things that were supposed to be inconceivable. Neutralization as applied on the continent of Europe, certainly, has been honored far more in the breach than in the observance. And in the case of the Suez Canal, which was guaranteed, by solemn international agreements in 1888 and 1904, open to the ships of all nations alike in war and in peace, neutralization since 1914 has not been especially noticeable. German, Austro-Hungarian, Bulgarian and Turkish vessels have found it quite impracticable as a neutral route to India and beyond! Until that happy day shall dawn, therefore, when freedom of the seas is something more than a rhetorical expression, when it has actually the same meaning in war that it has in peace, and when the neutralized Suez Canal stays neutralized in both periods, then it will be feasible to discuss the neutralization of the Panama Canal. By that time, let us hope, the stars and stripes will wave over the European colonies in and around the Caribbean; and we shall not have to worry about the safety of our southern waterway.

But the people of the United States have something more to consider than their territory and their canal. Nature and history have appointed us protectors, under the Monroe Doctrine, of twenty sister republics in America. Prudence and foresight, accordingly, require that anything in the shape of a potential danger to them or to ourselves ought to be removed in peaceable fashion, whenever a suitable opportunity offers itself to that end.

Valuable though the West Indian region may have been for economic and political reasons to Great Britain, France and the Netherlands, it ceased long ago to occupy an important place in their national affairs. No elaborate demonstration is needed to show that what was of service to them in the eighteenth century is of small account today. At that time the United States was a tiny republic whose chances for permanence and development were thought highly doubtful; now it is one of the great powers of earth. It holds, furthermore, a unique position, in that it has become altogether the paramount nation in one hemisphere, whereas its fellows contend among themselves for supremacy in the other. This status of leadership in the New World the United States is bound to maintain, in the interest of the Americas at large no less than in its own.

The Monroe Doctrine laid down three fairly definite principles that constitute a special phase of our relationship to the Latin American countries and to the powers of Europe and Asia. As properly interpreted and expanded since their enunciation in 1823, they have been made to forbid the transference of territory owned by an American republic to a non-American country, and to forbid even the temporary occupation of any part of an American republic by a non-American country on any pretext whatever. All this has been done in the interest of the *pax Americana*, of an intercontinental peace that shall keep the Americas free from an extension to them and among them of troubles born of Europe.

For the welfare of the United States and its sister republics American soil is not available for future European or Asiatic colonization. Now, as the centennial anniversary of the

Monroe Doctrine draws near, the change in circumstances toward the close of a hundred years would seem to justify us in seeking to have the peace of the Americas further assured. This can be done through a friendly agreement with the countries concerned, whereby the future retention by European nations of colonies in and around the Caribbean shall no longer be a source of possible disquiet, either for ourselves or for our Latin American neighbors.

Instead of causing the Monroe Doctrine thereby to be abandoned, or even ignored, as some objectors might urge, such a procedure as the one suggested would, on the contrary, carry it out to its logical conclusion. By the actual terms of the doctrine the European colonies in America existing at the time of its pronouncement were to remain in the hands of their owners; but the underlying presumption must have been that this retention was a temporary matter, and hence subject to discontinuance whenever feasible. If this be true, the acquisition of the Caribbean areas in question by the United States would serve to round out the Monroe Doctrine by making its basic idea, that of the eventual exclusion of non-American political power over American soil, a reality, and the thought of "America for the Americans," an accomplished fact.

That the retirement of the European nations from the Caribbean and, in consequence, their replacement by the United States, might intensify the fear of "Yankee imperialism" among the Latin American republics, is possible in the case of those lying in that sea, or bordering upon the western part of it, but highly improbable so far as the countries to the southward are concerned. The insular republics, certainly, and some of those in Central America, have already lost their independence in some degree, as the process of financial, police and sanitary control, along with the extension of the commercial influence of the United States, goes, glacier-like, slowly onward. Were the European colonies in their neighborhood to be acquired by this country, the effect, conceivably, might be that of giving an impetus to the present policy of establishing quasi-protectorates over the republics in question, as the most suitable

means of providing for their welfare and security. On the other hand, the great progressive Latin American states, those possessing the elements needful for an efficient national development, have no reason to worry about the outcome of this particular phase of manifest destiny; nor is it likely that, in any essential respect, they would feel much concerned. Apart from sentimental considerations, more or less vague, arising out of the relationships of colonial times, they have comparatively scant interest in the affairs of the small, backward republics of Spanish or French speech lying in and around the Caribbean. For the insular and continental dependencies of Great Britain, France and the Netherlands in the same area, to which no such considerations are applicable, their concern would be much less still. Indeed, if the United States were to obtain these dependencies in peaceable fashion, the chief Latin American nations might be inclined rather to approve the action, as a final step in realizing the fundamental concept of the Monroe Doctrine to which they subscribe.

The United States, moreover, has associated itself with the Allies in their war against the Central Powers. Representatives of Great Britain and France have besought our aid in ships, men, money and supplies. If they, in common with their supporters in Europe and their Far Eastern ally, Japan, are waging the war wholly for altruistic purposes, if they expect no advantage, other than the knowledge that liberty, democracy, humanity and civilization shall have been won for the world at large, then the United States surely can afford to imitate their example. On the other hand, if Great Britain and France are to derive material compensation from a victory rendered certain by the opportune aid of the United States, it is only fair and just that, in accordance with terms acceptable to all parties concerned, they turn over their Caribbean possessions to this country as a fitting token of gratitude for our support.

In the case of the Netherlands the precedent already set by the purchase of the islands from Denmark could be applied to the acquisition of the Dutch territories. At this point, however, a financial *caveat* must be entered. Preliminary to our

participation in the war we paid Denmark \$25,000,000 for 138 square miles of insular land. Since the Dutch West Indies spread over 46,463 square miles, were they to be acquired at the same rate, as a possible outcome of the war, they would cost about \$8,500,000,000, which is somewhat more than we could afford! Accordingly, whenever the moment for negotiation comes, we shall have to arrange for a different basis of adjustment, as for example, one determined by the amount of the subsidies which the Dutch government has to pay each year into the colonial treasuries.

Returning to the consideration of the British and French aspect of the matter, one meets with two classes of objections. Some will assert that it is unfair to take advantage of Great Britain and France, distressed by the devastation of a war waged, not alone in their own behalf, but in defense of the United States as well. Whether in fact they have been defending this country, must be left to the verdict of history when the war is over. Many of us, at all events, believe this to be true. On the other hand, it is probably just as true that, without the aid we have already furnished and shall continue to furnish, Great Britain and France could not have defended themselves alone, to say nothing of the United States. To pledge the colonies in and around the Caribbean, accordingly, as a return for aid extended, is not to take advantage of national distress; it is a plain business proposition, like the extension of the aid itself.

Other objections to the plan proposed will maintain that, even if Great Britain and France should receive ample compensation in territory and money as the reward of victory, that is no reason why the United States should do so. Our aims, they will assert, are and ought to be purely idealistic, and hence free from material considerations of any sort. Let the European nations and Japan take what they can get; as for ourselves, we shall take nothing. Unfortunately for the force of such a contention, however, this grimly practical world is not run on the basis that virtue is its own reward. Sentiment and emotion may shape the thoughts of individuals amid the multitudes, but they do not determine the course of action followed

by the soldiers in the field, and by the statesmen seated around the green cloth table, who are called upon to decide what is best for their country. If the European nations and Japan are to secure means for their material advancement as a result of this war, the essential interests of the United States require it to obtain similar advantages for itself.

Assuming that these objections have been overcome, four more of them are likely to be encountered. In the first place, Great Britain, France and the Netherlands would never be willing to turn over their colonies in and around the Caribbean to the United States, no matter how much we may want them to do so. Second, the colonies are better off in their present situation than they would be under American direction. Third, we have no desire, either to increase the burden of our race problem by trying to govern two millions and more of colored peoples, or to enlarge tasks already great enough, by the duty of protecting a large number of scattered islands and parts of continents. In the last place, areas so famous for earthquakes and hurricanes are probably not worth the trouble and expense needful for their acquisition. Of these objections, the first is a pure assumption; the second is like unto it; the third ignores what we have done so successfully both in Porto Rico and the Philippines; and the fourth is erroneous.

As colonization is carried on today, the real test of the right of a European nation to retain control of American territories, like those in and around the Caribbean, is determined, not alone by their actual utility to the nation in question, but by the amount of service thus rendered to their inhabitants. For many years past Great Britain, France and the Netherlands have centered their oversea activities in the eastern hemisphere, in Africa, Asia, Australia and Polynesia. The islands and parts of continents they hold in the Caribbean region are little more than relics of ancient grandeur, burdensome rather than a source of advantage. No sentimental value worth mentioning attaches to these areas. Few Englishmen, Frenchmen or Dutchmen reside in them longer than is necessary for commercial purposes. Possibly the colonies may have some strategic value to their owners as naval bases. If so,

against what power? This is an obvious question that has an obvious answer—the United States. In that case no doubt remains as to our duty in the premises!

Practically all the Caribbean colonies have fallen long since into a state of absolute or relative neglect. Their population either crowds the means of subsistence or tends steadily to fall off. That any of the areas flourish at all is due mainly to their connection with the United States and to the introduction of Asiatics for work on the plantations. The trade of the British possessions with this country is worth upwards of \$4,000,000 a year more than that with Great Britain itself, and if British Guiana is excepted, more than \$13,000,000. In the case of British Guiana the reason for the larger amount of commerce carried on with the mother country is found in the labor of Asiatics. Both here and in Jamaica, as well as in the French and Dutch colonies, the practice of using orientals prevails. However legitimate the bringing over to America of Hindus, Japanese, Siamese and Chinese by the tens and hundreds of thousands may seem to the British, Dutch and French owners of the Caribbean region, it is altogether opposed to the principles which the United States has steadfastly championed in defense of the American workingman. Legitimate it may be in point of law, though not in point of morals; for its object is, not the advancement of civilization in the areas concerned, but solely the exploitation of them by the agency of cheap labor.

Railroads, furthermore, almost unknown in the islands, are relatively much scarcer still in the continental sections. British Guiana, which is somewhat smaller than Oregon, has 97½ miles of railway, run on three different gauges; British Honduras has 25 miles; Dutch Guiana, about as big as New York—for which, by the way, it was exchanged back in 1667—has 104 miles, whereas French Guiana, a bit larger than Maine, has no railways at all. Both the French and the Dutch colonies show a declining commerce and they are dependent, also, for their financial existence upon annual subsidies furnished by the home government. To recognize therefore that, economically at least, the British territories already form



part of the United States, and to relieve the taxpayers of France and the Netherlands of the burden of meeting the deficits of their backward dependencies in America, would not seem on the face of it an unwelcome act.

Nor is this all of the story. None of the British colonies in and around the Caribbean enjoys self-government in anything like the measure of it accorded to Canada and Newfoundland. So far as the privilege is granted at all, the people thus favored stand more or less on a level with the inhabitants of India. In the French and Dutch areas the situation is worse. Even if the French colonists are represented in the home parliament, the representation is illusory rather than otherwise, whereas the folk under Dutch rule have to depend on what the good queen sends them. Whatever the amount of attention, also, given to education in the British possessions, it is pitifully scant among their French and Dutch neighbors. In partial compensation for the drawbacks, however, many of the inhabitants speak English after the American fashion, and use dollars and cents more commonly than they do pounds, shillings and pence, francs and guilders!

Given these circumstances, it seems clear that, taken as a whole, the colonies in and around the Caribbean are a loss to the European nations that own them, and a detriment to the people who live in them. Were they to be made, instead, a part of the United States in the political sense, as essentially they already are a part of it in the geographical, linguistic and economic sense, their lot would be a happier one, and so would ours. Were they to be included in the American union, there is every reason to believe that the benefits which have followed the American occupation of Porto Rico would be extended to them also. What we have accomplished in nineteen years for the material, mental and moral advantage of that island and its American citizenry, needs no expatiation here, for the evidence is too well known. If the destinies of the Caribbean colonies, therefore, were committed to our charge, we could assure to their inhabitants an interest in their welfare which the countries now ruling them cannot possibly display.

And what have the Caribbean islands and the mainland to offer us? They have many an excellent harbor. They afford an outlet for the surplus population of Porto Rico. They are rich in the natural resources of the tropics, which we shall need in ever-increasing amount. The more these resources are developed, the greater becomes the market for our manufactures. American railways in the Guianas would open to the Caribbean seaboard the treasures of the Amazon valley. Benign in climate and beautiful in scenery, the Caribbean islands have extraordinary possibilities as winter resorts. Nor are they lacking in historic interest. Among the islands and on the Spanish Main were laid the scenes in song and story of the brave old times of the pirate and buccaneer, of the age-long struggle in former days of the states of Europe for dominion in the New World.

Assuming that, in view of all the foregoing, Great Britain, France and the Netherlands shall have signified a willingness to relinquish their ownership of the Caribbean colonies in favor of the United States, we might set a worthy example of our belief in the principle that governments derive their just powers from the consent of the governed. The American people think that small nationalities ought to have the right to determine their own destinies. If their conditions are such as to make independence desirable, they should be independent; if not, then they should be permitted to choose the allegiance under which they shall live. That in any correct or reasonable sense of the term the people dwelling in the Caribbean colonies can be called "nationalities," however, is altogether doubtful. No one has ever thought of regarding them in that light; for they possess few, if any, of the qualifications requisite for that distinction. Dependent they always have been, and dependent they are likely to remain, since the conditions for independence are lacking. Accordingly, if the several areas they inhabit were to be transferred from their present owners to the United States by virtue of an agreement between the two parties concerned, the act in itself could not be construed as a violation of the American principle of championing the cause of small nations. Yet, in order to remove any possible hesita-

tion on this point, whenever the moment for the ultimate disposal of the Caribbean colonies arrives, the question whether they should be placed under the protection of the stars and stripes might be resolved, if practicable, in democratic fashion, by leaving it to the decision of the people themselves. That they would vote right on a matter that affects so intimately their welfare and progress cannot be doubted.

## THE BASES OF AN ENDURING AMERICAN PEACE <sup>1</sup>

HENRY A. WISE WOOD

**I** HAVE been asked to speak generally upon the need of better machinery for international relations, and particularly upon the effect of censorship upon the relationships of peoples. I am committed to two principles in the conduct of American diplomacy: to the employment of non-political, permanent, specially trained men in our diplomatic staff, at home and abroad; and to full publicity in our diplomatic relations. Where the phrase "shirt-sleeve diplomacy" denotes the work of the ignorant and untrained I am wholly against it; where it designates a rugged, uncompromising honesty which insists upon functioning in the open, I am wholly for it.

An honest national purpose publicly proclaimed, and served by educated men especially trained in diplomatic intercourse, is the highest wisdom, I am persuaded, for a democratic republic such as ours to maintain.

But today, if it is to be permitted, I should rather set aside the mere machinery of diplomacy, and enter upon a discussion of certain problems in statecraft which vitally affect our own welfare. Now that the world is plastic and we are the most courted among nations, a wise precaution would seem to dictate that we utilize our favored position to surround ourselves with durable safeguards of peace. An analysis of our situation reveals sources of possible danger which it should be our aim to render innocuous. The Monroe Doctrine may be challenged from the east; it may be challenged from the west, or from both directions at the same time. The canal may be invested by sea, and be taken by forces landed in its vicinity. Our west-coast Asiatic legislation may bring us into

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 29, 1917.

a conflict in which Alaska and Southern California will suffer, and the Hawaiian and Philippine Islands may be lost. It is practicable at the present time, I believe, for us to erect effective diplomatic barriers against all of these dangers, barriers which if neglected now it may not again in our lifetime be possible for us to set up.

In August 1823 Canning, for Great Britain, wrote as follows to Rush, the American minister, concerning the then recently revolted Spanish colonies in America :

We aim not at the possession of any portion of them ourselves. We could not see any portion of them transferred to any other power with indifference. If these opinions and feelings are, as I firmly believe them to be, common to your government with ours, why should we hesitate mutually to confide them to each other, and to declare them in the face of the world? If there be any European power which cherishes other projects, which looks to a forcible enterprise for reducing the colonies to subjection, on behalf or in the name of Spain, or which meditates the acquisition of any part of them to itself, by cession or by conquest, such a declaration on the part of your government and ours would be at once the most effectual and the least offensive mode of intimating our joint disapprobation of such projects. . . . Do you conceive that under the power which you have recently received, you are authorized to enter into negotiation, and to sign any convention upon the subject? Do you conceive, if that be within your competence, you could exchange with me ministerial notes upon it? Nothing could be more gratifying to me than to join with you in such a work, and I am persuaded that seldom, in the history of the world, occurred an opportunity when so small an effort of two friendly governments might produce so unequivocal a good, and prevent such extensive calamities.

To this Rush replied :

Making these remarks, I believe I may confidently say that the sentiments unfolded in your note are fully those which belong also to my government. . . . It does not aim at the possession of any portion of those communities for or on behalf of the United States. It would regard as highly unjust and fruitful of disastrous consequences any attempt on the part of any European power to take possession of them by conquest or by cession, or on any ground or pretext whatever.

Four months later, on December 2, 1823, President Monroe enunciated the Monroe Doctrine. Upon the announcement abroad of this momentous decision by the United States, Lord Brougham declared:

The question with regard to South America is now disposed of, or nearly so, for an event has recently happened than which no event has dispensed greater joy, exultation, and gratitude over all the freemen of Europe; that event, which is decisive on the subject in respect to South America, is the message of the President of the United States to Congress.

While the Monroe Doctrine has since been little more than a declaration of intention, Great Britain has been its consistent friend, and no other nation has undertaken seriously to challenge it. Nevertheless the occasion has arrived, I believe, when we should seek to obtain from our allies formal recognition of its validity. Were France, Italy, Russia and Japan now formally to acknowledge its validity, a long stride would have been taken toward the inclusion with them of the German and Austro-Hungarian empires at the conclusion of peace.

In the case of Great Britain our common interests and inclinations indicate a more far-reaching arrangement, with respect to the protection of the Latin and Anglo-Saxon peoples of the Western Hemisphere, and of our respective possessions in the Pacific. We can well afford to underwrite the security of the British possessions in this hemisphere in exchange for Great Britain's undertaking to assist us, if necessary, in the enforcement of the Monroe Doctrine. And we can do ourselves and the other Anglo-Saxon people of the Pacific no greater service than by undertaking to assist Great Britain in the protection of her possessions in that ocean, in exchange for her assistance to be rendered us in the protection of our own possessions lying therein. Were such an arrangement with Great Britain to be consummated, anxieties with respect to overseas invasion would disappear from the Latins and Anglo-Saxons of our own hemisphere, and from the Anglo-Saxons who are settled about and within the basin of the Pacific.

Coming now to matters which, though of lesser magnitude, are important in the scheme of our defenses, there are two which demand prompt consideration. The first affects the security of the Panama Canal, concerning the military and commercial value of which to our country no American needs to be informed. At present the zone must depend for its defense, first upon our fleets, and second upon its contained garrison. Our fleets having been defeated, and the canal invested by a transported army working toward it from the sides, we should be powerless to prevent its capture. Between ourselves and the zone there is no proper means of overland transport.

It is unthinkable that we should permit so invaluable a national asset as the canal to be so inadequately assured against seizure or destruction. Of the projected Pan-American Railway there has still to be completed between the United States and the canal zone approximately only 550 miles. The prompt completion of this railway by American capital should be immediately undertaken as a defensive measure, and the American government, by means of liberal subventions, should effect arrangements with the countries through which it passes, under which we shall be permitted to transport troops and supplies in the event of war between the United States and a nation foreign to the Western Hemisphere.

The second lesser matter deserving immediate attention concerns the peninsula of Lower California. This tongue of land projects downward from the United States like a human vermiform appendix, and like the latter is an extremely dangerous appanage. Behind it, within its inaccessible interior, and along its Pacific Coast, are many hiding places which may, upon uncomfortable occasion, become points of infection endangering our contiguous territory.

Lower California is so remote from the Mexican mainland, is so slimly attached to it, and so inaccessible from it, that neither in times of peace nor in times of war can the Mexican government assure its not being made a base for hostilities against us. The Mexican government has but little intercourse with this peninsula, and draws from it only a small

revenue, if any. It is possible, therefore, that the Mexican government would be inclined to consider the sale of Lower California to the United States, in exchange for the moneys so urgently needed by it for the rehabilitation of Mexico.

The United States would be well advised to add to its long list of fortunate purchases this fertile pendant of contiguous territory, and thus foreclose possible untoward eventualities. In conclusion, our diplomatic duties of the moment demand of us the most skillful employment of the opportunities which lie open to our hand, in order that we may insure ourselves and our neighbors an enduring peace. The projects herein outlined, I am convinced, are those most certain, if carried out, to rid our future of the alarms of war.

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## THE WEST INDIES

MR. IRVING BUSH,<sup>1</sup> New York: The West Indies have been until very recently entirely a foreign land to us. Our idea has been like that of the small boy who was asked by his teacher, "Who was the first man?" He promptly replied, "George Washington." "No," said the teacher, "it was Adam." "Oh, well," answered the boy, "you include foreigners." Our point of view on all these matters has been provincial, and perhaps that is even more strictly true in New York than in many other parts of the country from which you gentlemen come. New Yorkers know only that somewhere to the west of us lies the country called New Jersey, and a few of our bolder spirits have penetrated its wilderness; but beyond that we are lost.

It is particularly fortunate, I think, that a conference of this kind is called to bring us into a larger realization of our opportunities and obligations in dealing with foreign affairs. We are to discuss this morning that land of mystery, that sea dotted with sunlit islands called the Caribbean.

I have always believed that the islands of the West Indies were of great value. My first knowledge of the West Indies was derived from reading works of literature describing those gentlemen who always have dark mustaches and shiny patent leather boots and who ride the Spanish Main under the ensign of the Jolly Roger; I have been surprised many times in looking at pictures of the West Indies to see that they are not as I have pictured them, with their entire surface covered with treasure chests, and with olive trees creeping out between the crevices. Today the West Indies are becoming a reality and not a mere dream in our life and thought, and we need to understand actual conditions in the islands.

<sup>1</sup> Introductory remarks as presiding officer at the morning session, May 30.

## OUR RELATIONS TO HAITI AND SAN DOMINGO<sup>1</sup>

OSWALD GARRISON VILLARD

President, New York Evening Post Company

THE highmindedness with which the United States, according to the utterances of President Wilson, has entered upon the war against German militarism has made it necessary that we must conform to the idealism thus expressed in all our relations with other nations and particularly those affecting Haiti and San Domingo. If we are to live up to the words of President Wilson in his war message that "the world must be made safe for democracy"—safe, let us hope he meant, even from Americans—we must seek with complete unselfishness to establish in these two republics true democracy as against the autocracy of despotic or military control. Mr. Wilson has said, also, that we desire no conquest and no dominion. This commits the nation definitely to a policy of no annexation or conquest. But that is not enough, because these republics are so weak, as compared with our giant strength, that it is necessary that we should base our policy toward them upon the highest ethical standards and without any thought as to personal profit for the United States as a result of our actions.

Have we in our relations with these sister republics thus far borne ourselves in accordance with President Wilson's exalted words? Let us see what has happened. San Domingo, after an independent existence of seventy-two years as a republic, has been taken over by force by our government; while of the independent government of Haiti, a Negro republic of a hundred and twelve years standing—during which time no foreigner was ever attacked or injured, no white woman ever assaulted, and no legation ever violated save once—only a

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

toppling shell of a government, which may crumble at any moment, remains. My appeal is for a definite declaration of intention as to these and the other republics, because there could be no more fitting time than this when the United States is entering the world war for the avowed purpose of driving out despotism, crushing autocracy and upholding the rights of smaller nations, and because a declaration of intention is vitally needed, if we are to hold the full confidence and friendship of Latin America.

Plainly, we are drifting in the Caribbean. Our influence is extending rapidly and by the deliberate acts of both the dominating political parties, and yet nothing is being done by reason of a deliberate national consciousness or a declared policy. In neither of the last political platforms is there any statement of a belief that the United States should go on deliberately extending its influence in the Caribbean, or any reference whatever to Haiti and San Domingo. If this is manifest destiny, it is an extraordinary voiceless destiny; if it is an unconscious national drift, it has all the foreboding and the terrifying silence of the irresistible glacier. The American electorate has never voted upon it. It has alternately applauded the "taking" by force and trickery of Panama and the violation of a treaty with a small nation with which we were at peace, and the Mobile speech of President Wilson in which he declared to the sister republics to the south of us that: "I want to take this occasion to say, too, that the United States will not again seek to secure one additional foot of territory by conquest."

In his dealing with the sorely tried republic of Mexico he nobly lived up to this doctrine, despite the bloody blunder of Vera Cruz. On the other hand, we have just witnessed the purchase of the Danish West Indies at a fabulous price, "additional territory" to the south of us, without its calling forth any noteworthy comment in press or public or in Congress, either for or against the proposal.

In 1907 we took over the administration of the San Domingan customs houses by treaty, solely in order to get her out of debt and to prevent revolutions by safeguarding the

customs-house receipts, which were the chief booty of the periodic revolters. At first it seemed to work well, but then revolutions began again and it was openly said that the trouble was that we had not taken enough power for ourselves. Next, a treaty was forced upon this unwilling people, by shutting off their revenues, and thus compelling them to surrender to us their last shred of independence. When the government fell by reason of inanition, we placed a naval dictator in charge, in the person of Captain Harry S. Knapp, who began his reign in the name of the American democracy by suppressing the native newspapers which criticized his acts and by installing a censorship all his own that forbade even the newspapers in the United States to receive a single word that was not edited by himself. This autocratic ruling lasted only until the press of this country laid the facts before Secretary Daniels, when the order was promptly revoked. But the native newspapers with one exception, the *Listis Diario*, having no one to speak for them in the seats of the mighty, have "stayed dead." Captain Knapp's cabinet consists of naval officers and marine officers; and there is no congress, no free press, no effective force to hold him in check. Foreigners are gobbling up the best of the cane lands.

In Haiti we have forced a convention on a free people by giving them their choice between a treaty surrendering to the United States the collection and disbursement of their customs receipts, and the creation and control of a constabulary. When they had signed the convention, we then imposed upon them a military occupation, and have refrained from paying the interest on their foreign and domestic loans while using \$95,000 a month of their income to pay the costs of our occupation, which the Haitian people detest—particularly our rigid martial law. It is only just to say that this policy was entered upon by our State Department with real intent to be of service, because it felt that the country was in chaos and anarchy and that the foreign bondholders through their governments would soon insist that either the United States should make order in the republic or let some outsider do it. I am not here to impugn motives but merely to record facts, and the

fact is that the government and the people of Haiti who always paid the interest on their foreign loans, are now on the point of bankruptcy and their government is on the verge of being broken down by us, while the Washington authorities delay the payment of interest on all loans and the refunding of the total indebtedness which, despite years of revolution, is only \$32,000,000. They take pride, and justly so, that our marine officers have created a splendid gendarmerie of sixteen hundred men, have built and repaired a number of roads and given the peasantry a sense of security which has not been theirs for years. If there was chaos, that is at an end and there is that much clear gain.

But granting, for the sake of argument, all that may be urged as to the necessity of our intervening in these two republics, what then? Are we sailing by any chart? What course have we laid out? Is there any definite governmental aim? If so, it has not been stated. Neither the Republican nor Democratic platforms of 1916, I repeat, made the slightest reference to either republic or our relations to them. Is there any social or educational survey of the republics on foot? None. Is there any recognition of the necessity of differentiating between the Haitians, who are French in culture, and the San Dominicans, who are Spanish in culture? A proposal to send a privately financed American commission to Haiti was spurned a year ago by the State Department as likely to hurt the Haitian feelings if it should undertake a study of the underlying economic and social causes of the unrest of the past—those feelings which, we are told, were in nowise disturbed when we forced the surrender treaty upon them! There is no definite national declaration as to how long we shall stay, how often we shall renew the treaties, or whether we shall ever let go. Neither President nor Congress has spoken on this point, nor as to whether we hitherto non-militaristic Americans should or should not govern these countries by military officials. If they are to be militarily governed, then by what branch of the service? Porto Rico and the Philippines are under the War Department; the other nations in our tutelage are under the Navy. The Bureau of Insular Affairs is not yet trusted with

the Virgin Islands; until the war permits a more leisurely arrangement, they are to be governed by an admiral on a makeshift basis.

All question of a serious taking of stock is deferred. We shall not know just how much of industrial bankruptcy and depression and human backwardness we have purchased in the Virgin Islands until peace returns. And then? Then it will surely be time to exalt the whole question of the government of our permanent and temporary wards of whom the bulk of our people are so ignorant, to a position in which it shall have the attention it needs and deserves. But how shall it be done? It is not merely a question of deciding whether the islands are to have military or civilian government; whether we shall not follow the example of England in Egypt in letting the natives carry on their own government under the oversight of a diplomatic agent-resident in the manner of Cromer. It is not only a question of deciding whether Haiti and San Domingo are to be governed merely for the purpose of keeping order for a term of years and getting them out of debt, or even whether they are to be scientifically administered in order that their peoples shall really be trained in the art of self-government and be taught to walk, so that when we withdraw they shall not stumble and fall again. Far beyond this, first and foremost of all, is the question, What is it we have in our minds and hearts for them? Are we to be guided wholly by philanthropy, by the desire to help these small nations to an independent existence, as we are praying for independence after the war for Greece, Belgium, and Servia, or is their proximity to us, the wealth of their remarkable economic resources and their trade relationship to us, to give to our spectacles another hue as we look upon them? Shall the country remember what Mr. Wilson has said: "It is a very perilous thing to determine a foreign policy in the terms of material interest?" Shall the nation say with him: "Morality and not expediency is the thing that must guide us (in our relations with other nations) and we must never condone iniquity"—iniquity even in our own attitude and policy?

Shall the noble words of Wilson at Mobile apply only to conquest in war, or shall we make them a similar self-denying ordinance against that form of conquest which has given us practically complete control of Haiti and San Domingo, happily with but little bloodshed, but a control none the less as complete as if we had let General Pershing march to Mexico City and let him take over the whole government of Mexico? Many Americans have been killed in Mexico and much American property damaged; no such charge lay against Haitians or San Dominicans. Is the difference in our policy towards them wholly due to their difference in extent of territory? Is there to be farther intervention of this sort to the south of us, dependent upon haphazard act or as the result of a well thought-out policy? Surely, we can all agree that the vital importance of these relations not only as to those directly affected, but in their very great effect upon our trade and political relations with Central and South America, dictates that the administration of these wards should be in the hands of a cabinet officer, and each dependency, temporary or permanent, represented as are Porto Rico and the Philippines by delegates to Congress. Perhaps it may be well, even, to establish a House of Colonial Delegates, in order that their special problems may profit by mutual interchange of ideas and of experiences.

In other words, the question before us is whether we are really going to set ourselves down to the task of governing well, according to the highest American tradition, these peoples who have no desire whatever to be governed by us and prefer to be poorly governed by themselves so long as they may have self-government and independence rather than be governed by outsiders whose culture and point of view in every fundamental are so alien. Shall we or shall we not live up to the standards set for the nation by President Wilson?

## OUR CARIBBEAN POLICY<sup>1</sup>

PHILIP MARSHALL BROWN

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**D**URING the fifteen months that I was chargé d'affaires in Central America, I had on my hands two wars, two peace conferences and three revolutions, involving five republics. For the space of twenty-four hours on one occasion, the government having fallen, I had the distinction of being a dictator. During that day I enjoyed the prerogatives of a president, including that of being shot at. So you will realize that I speak out of practical experience concerning these countries.

As a point of departure, I think you will all agree that the United States is vitally interested in the countries bordering on the Caribbean. Irrespective of the Monroe Doctrine, the Panama Canal has of course given us a profound interest in these lands.

Next let us take up the actual situation. As to Cuba, you will recognize that our relations with that state are clearly and satisfactorily defined. We may claim with pardonable pride that our attitude toward Cuba has been entirely equitable.

In Mexico we must recognize a neighborhood problem, and no question at all of the Monroe Doctrine. Unfortunately, our relations with that country are not clearly defined. Apart from what I recognize to be the ideals of the present administration, I am convinced that our policy in Mexico has resulted in making confusion worse confounded.

Moreover, we enunciated a most dangerous doctrine in stating that we should refuse to recognize any government founded on violence. The implication of that is clear; if we do not recognize a government founded on violence, then we

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must see to it that there is a fair election in the countries to which our declaration applies; and we should know that it is impossible to guarantee a fair election in those countries. Perhaps we might look a little nearer home to certain of our own states in that respect. That doctrine constitutes an insidious form of intervention in the affairs of those countries. It was resented, and I think justly resented, in all Latin American countries, as well as in Mexico. In addition, our policy in Mexico is open to serious criticism, because it was based fundamentally on no intention of protecting Americans.

In regard to Colombia, I will say only this: irrespective of differences of opinion on the Panama Canal question, we should recognize that this is a question not merely of conciliating or humoring a sister republic, but of doing the right and just thing.

In regard to Central America, we have had an evolution of policy. I was there while the policy was in transition. For a long time we held off and acted simply as a friendly mediator; but in 1907 that policy was fundamentally changed, because we found that mediation got us nowhere. In this connection I should like to pay a personal tribute to President Roosevelt. In all the time that I served under him in Central America, he never wielded the big stick over those people. On every occasion, even against the wishes of those of us on the ground, he tried every possible means of conciliating them and avoiding offense to their sensibilities, in order to compose their differences.

In 1907, on Mr. Roosevelt's initiative, a conference of Central American powers was held in Washington, and the Central American Court of Justice was established. This action really gave the United States a moral right to intervene in the affairs of Central America, to prevent revolution fomented in one state against another; and it has resulted in the suppression of revolution.

Then came the era of "dollar diplomacy." We should be very careful how we define dollar diplomacy. If it means that we want to get countries into debt to us in order to have a strong hold over them politically, it is a very insidious policy.

When we speak of "substituting dollars for bullets," let us remember that many of those men down there would much rather face the bullets than have their country fall into the hands of international loan sharks. For a time our administration followed a policy that I believe open to some criticism. The feeling was that if we could only get hold of the resources and the wealth in those countries revolutions could be suppressed. The purpose was honorable, but the method was open to question.

In regard to Nicaragua, for example, the result has hardly been happy. I will only call your attention to the single fact that but for the presence of our marines in the capital of that country, the government would fall immediately. There has been no free election or free expression of opinion in Nicaragua since the day the United States first maintained a government in power by the presence of marines. The result of this is disastrous to our prestige; and Central American unity, which has been the dream of the finest minds in those countries, has been seriously retarded. I should like to see the United States, instead of interfering in the affairs of each one of these states, do the large, generous thing by helping them together back into the union where they once were, and where they rightfully belong.

I will now proceed to some general conclusions:

First of all, we are bound to help the less-favored nations. We cannot turn a cold shoulder when certain nations are in a backward condition where they need help. The first thing we must recognize is our obligation and duty to help those countries that need a friend.

Second, we are in duty bound to protect American interests. There can be no argument about that. We encourage Americans to go abroad, and we ought to go with them. The protection of nationals abroad is an international function. If the civilized nations of the world did not insist on decent behavior on the part of certain nations, those nations would inevitably relapse back to barbarism.

Third, we are bound to prevent foreign intervention in those countries. We must make certain that legitimate foreign

interests are adequately protected; but, at the same time, as some of us know intimately from experience, we have to be vigilant to circumvent foreign intrigue. The United States must recognize that the dominance of the motive of national self-interest throughout the world must always put us on our guard against intrigue in a region of such vital significance to us.

Fourth, there are times when the United States is bound actually to intervene by force to restore and establish order. When things go all to pieces, when nobody's life is safe, when property is in danger, and when there is no one with power to establish order for any length of time, it is necessary for the United States to act, and to act promptly.

Fifth, we must assist in the financial rehabilitation of certain of these countries. That means that loans will not be made to those countries except on good security, which specifically means, of course, a lien on the customs receipts. Such a policy must be based eventually on this principle—that the United States will never be party to any such financial operations until it has had an opportunity to determine beforehand by an impartial commission the exact obligations of these people, the state of their financial resources, in other words, their solvency.

Sixth, there are other cases where the United States can do wonders simply by its moral support. Many men in these governments have a hard time trying to do the right and just thing. At such times the United States is bound to give its moral support.

Another point, touched on by Mr. Borchard, is that at times we have to exercise moral restraint when the government is tending in a direction inimical to its people's own best interests. The United States at times can exercise a restraint through the right persons in a way which does not give offense, and which really in the long run results in securing the gratitude of those concerned.

Lastly, we must encounter great criticism. We need to have certain dangers and criticisms pointed out; but criticism should be centered on the question of policy itself. Any policy

that we follow should be scrutinized closely, and should be challenged at times; but when it comes to method, I think we should be chary of criticism. For we cannot apply in those countries the methods we should use for our own conditions. We have to deal with peculiar local situations that require peculiar methods; and if we are conscious of having the right policy, we can afford to be very charitable when it comes to a criticism of methods.

The United States cannot expect to satisfy all Latin America. Certain of my friends here from these countries will recognize the truth of what I say, that with the best of intentions it is excessively difficult to reach a perfect understanding between our different races. Many of us who have lived in those countries know how easy it is to develop points of friction; but by following in our dealings with those people a vigorous, firm policy that we believe to be righteous we can earn their respect. We must ask these countries at times to be patient and charitable with us, if our policy seems to be a blundering one. They credit us at times with having more cleverness than we have, and think that we are following a carefully thought-out policy. We do blunder, of course we blunder, because we do not always have a definite policy. And yet we as Americans may well be proud, on the whole, of American conduct toward the countries of the Caribbean. I maintain that it has been an altruistic pursuit of international as well as national interests. Our motives in that part of the world are really calculated to bring about a higher state of security and world order, a better condition of affairs in those republics themselves and a condition of affairs acceptable to the rest of the world as well as to ourselves.

## THE CARIBBEAN QUESTION

### DISCUSSION <sup>1</sup>

PROFESSOR ALBERT BUSHNELL HART, Harvard University: The proximity of the Caribbean region to the United States, and the fact that it completes our zones of naval protection, make it highly likely, in fact almost certain, that the influence of the United States in that region will be enlarged instead of reduced, and that our policy will probably look toward the final incorporation of all those islands into our empire. On its face this policy seems to accord with the usual trend of colonial expansion. Our present area includes a north temperate belt and a south temperate belt; but we have lacked a tropical area such as Great Britain and France and Italy enjoy. Here it is at our doors.

The question, however, is larger than material benefit. Expansion of our territory and influence seems to be in the temper of the American people. For weal or woe, ever since 1898 we have been following that road. The last three presidents have deliberately enlarged the influence of the United States in the Caribbean region. It seems written in the book of fate, that gradually the possession of those regions will pass from European to American hands, by consent of the two groups of nations concerned.

When we face these probabilities, we must also face the price that we shall have to pay for this Caribbean policy, to which the administration has been committed for the last twenty years, which has been sanctioned by repeated ratifications of treaties by the Senate, against which there seems to be no organized opposition in the House of Representatives, and which is not much condemned in the press.

In the first place, we must deny ourselves the use of some very agreeable terms, such as "the twenty-one American republics." There are no longer twenty-one, because five of these so-called republics are dependencies of the United States. Cuba is no more independent than Long Island. The island of San Domingo, with its two Negro republics, is no more independent than the state of New York. Nicaragua and Panama are only nominal republics, and

<sup>1</sup> At the afternoon session, May 30.

nominal sovereignties. Every one of these five "powers" is as much a dependency of the United States, subject to its ultimate will and not to the desires of the people of the country concerned, as is Burmah, or Hong Kong, or British South Africa, or the Cape Colony, to the will of Great Britain. There is no use deceiving ourselves with words. If we are to have a Caribbean empire, we must get it by destroying the republican independence of the powers concerned. Professor Shepherd asserted that we might buy the islands and make them independent. Are we beginning that course by destroying the independence of the islands that we have not bought?

In the second place, we must make up our minds that if we acquire these islands we shall eventually have practically to annex the whole of Central America. Already we control the so-called republics of Panama and Nicaragua, and we are in negotiation with Honduras and San Salvador in the same direction. The whole group of the six Central American powers are in the same boat; and if it is right and necessary for us to appropriate to our needs two of those countries, it is clearly right and proper to complete the whole thing. When this is done, what about Mexico? Present conditions create a terrible pressure upon the United States to make good the old saying of President Hayes that a Panama Canal is a part of the "coastline of the United States." A Caribbean empire more than doubles the pressure for the annexation of Mexico, a tendency which I, personally, seriously and devoutly reprehend.

Next, we shall have to adapt the Monroe Doctrine to a new and perplexing situation. We shall never forsake the Monroe Doctrine; it is a vital principle, because it fits with the circumstances of the modern world; but so far as the Monroe Doctrine was ever intended to stay the conquest of Latin America, so far as it stands in the way of intensifying our relations with our neighbors, we must admit that it no longer applies, if we are to establish a Caribbean empire.

Professor Shepherd's reasoning that these neighboring regions naturally are outliers, attached to the United States, if good for the Caribbean, is no less cogent to the Philippine Islands. Both have close geographical relations to great naval and military powers; our policy in the Caribbean, if founded on a great geographical principle, gives equal rights to Japan and other Asiatic powers as to islands that lie in their neighborhood.

In the next place, we have to reckon with that troublesome Declaration of Independence, which was so annoying in slavery times. When we say at the present moment that we are at war for demo-

crazy, we mean that we are defending the principle that governments derive their just powers from the consent of the governed; what we actually do, by the extension of our empire, however necessary and inevitable it may be, is not to apply that splendid principle, but to create two different kinds of states. We set up a variety of small dependencies, hardly one of which we should be willing to admit as a state in our own nation. If by any possibility Mexico were included, a great Caribbean policy would keep in permanent subjection about twenty-five million people, who must take their decisions from Washington. We talk about treaties with Santo Domingo and Haiti and Nicaragua, as though the people there had any real representation. Those treaties are actually made with persons who, for the time being, have arrogated to themselves the government of the little countries. We do not reach the people with our negotiations; we do not seek to reach them. How can other Latin American neighbors look upon this process without feeling that we are declaring the Anglo-Saxons the ruling force of the earth, and relegating the Latin Americans to an inferior place?

Further—and it is a point of great magnitude—how many people in this audience, in case we should acquire the whole Caribbean region, would go down there to live, and identify themselves with the region? Not one. You cannot make an integral part of the empire of the United States out of regions to which a few visitors, traders, what not, go and stay for a short time and come back again. That is not colonization. It is what the British have done in India; what the French have done in Annam; and that is why their Asiatic colonies will eventually break down. They are not genuine colonies; they are simply benevolent despotisms.

We also can be benevolent. The United States means well; it has dealt well with Cuba and the Philippines. When I was over there nine years ago, I discovered they were carrying on a great big Sunday school, and the only trouble was that the children do not want to go to school. Whatever we do in the Caribbean, we must make up our mind to one fact in our relations to the twenty-five millions of people in that part of America. There is not one of those nations that would not rather be misgoverned by its own people than well governed by the United States of America.

MR. CYRUS F. WICKER, New York: It is difficult, within the limited time, to choose specific subjects from the great number of interesting points that have been presented to us this morning. We who have

followed the addresses of this meeting must realize, as perhaps never before, the vast importance of the political and economic relations of our nation with the countries bordering upon the Caribbean. Our relations with those countries are no longer academic; they are very real and vital. As we are speaking, there is a living treaty, a binding obligation, or an active controversy going on with every one of them. We have introduced an American protectorate in Haiti and there are American marines in Santo Domingo. Porto Rico is an insular possession of the United States; Cuba is our ally in the war, and we have purchased the Danish West Indies. With Colombia we have a long-standing and still unsettled controversy, based on the acquisition of the Panama Canal, which is the keystone of our Caribbean policy. Finally, turning northward, we are a distant party to the controversy between Costa Rica, Honduras, Salvador and Nicaragua over a treaty which our country has just concluded with the latter, in respect to a second inter-oceanic canal.

All of the problems relating to these countries come to me with a very peculiar emphasis, and in many instances relate to personal experience. These are the countries where I have lived and from which I have just returned after four years of diplomatic service in Panama and, more recently, in Nicaragua. Having lived in intimate relations with both canal routes I feel inclined to lay a special emphasis, in every question that confronts us in the Caribbean, on the importance of transportation and trade routes, for I believe that in the development of these avenues of commerce lies our most important field of relationships with the Caribbean countries.

A glance at the map will show the importance of Central America and the islands of the Caribbean as the future trade routes of the world. It is almost certain that within a few years the great bulk of the trade between East and West must pass between or over several of these neighboring countries. The Panama Canal has been built; but experts believe that, whether through failing water supply or lack of capacity to handle the enormous tonnage required, it may within a few years prove inadequate. We have always been looking for other routes, and the best and only other possible route is that across Nicaragua.

Up to 1902, this route received a majority of the favorable reports of canal commissions; it occupies a more advantageous position than Panama as to both location and climate, being eight hundred miles nearer (or three days sailing distance shorter) between New York and San Francisco. It will very probably be built by the United



States within the next thirty years. Nicaragua, controlling this route for the greater part of its length, has the natural advantage of possessing a great lake in the interior, one hundred and sixty miles long, reaching to within only eighteen miles of the Pacific and connected with the Atlantic Ocean by the broad and navigable river San Juan.

We negotiated for many years with Nicaragua for the right to build this canal, during which time Nicaragua and her neighbors were frequently in conflict over the adjustment of their respective claims. Finally at the close of a war, in 1907, there was called, on the initiative of the United States, acting in co-operation with Mexico, a peace conference to which delegates from all of the five states of Central America were invited, which not only concluded terms of peace but also established a Central American Court of Justice, to meet in perpetual session at Cartago, in Costa Rica, which court was authorized to hear and determine all causes of complaint between these states and, under certain conditions, between any one of them and an outside nation. Shortly after this our treaty with Nicaragua was concluded, following a revolution in which we intervened and established a government under which peace and order are maintained by the presence of American marines.

This treaty with Nicaragua, known as the Nicaraguan Canal Treaty, grants to the United States, in return for the payment of three million dollars, the exclusive right to build an inter-oceanic canal across Nicaragua. It also grants to the United States the right to establish a naval base on the Nicaraguan shore of the Bay of Fonseca, opposite Honduras and Salvador, and the ownership of Great Corn and Little Corn Islands, in the Caribbean.

Unfortunately, immediately following the ratification of this treaty, the Republic of Costa Rica brought suit in the Central American Court of Justice against Nicaragua on the ground that the latter had not respected Costa Rican rights in concluding and ratifying the canal treaty with the United States. The court by a vote of four to one, Nicaragua alone dissenting, declared in favor of Costa Rica. In the meantime Salvador also brought a suit against Nicaragua in the same court on the ground that her sovereign rights were affected by a treaty which would permit of the establishment by an outside power (the United States) of a naval base, which, although on Nicaraguan territory, would dominate the entire shore line of Salvador on Fonseca Bay and her principal seaport, La Union. Again the court held against Nicaragua, and again Nicaragua re-

fused to abide by the decision. The court is now threatened with dissolution on the ground that its authority has been disregarded and its prestige impaired.

Of course, these canal rights are very valuable to the United States. In fact Nicaragua is possibly more important to us than all of the other Central American states combined. There is not the slightest doubt that the establishment of a United States naval base on Fonseca Bay would insure a greater measure of peace and commercial prosperity to all of the surrounding states. Before another controversy similar to that of Panama and Colombia has arisen, I believe we should regard this important Central American situation from the point of view of an interest jointly with others in the rights desired; that we should seek to uphold the authority of an honorable and important institution for the creation of which we stood sponsors before the world, and that we should prevent the creation or continuance of an unnecessary controversy which it is well within our power to adjust by joint action with all of the countries involved.

This is but one of the problems that immediately confront our nation in its relations with the countries of the Caribbean. As a nation we have had almost as many policies with regard to the countries adjacent to our shores as there are countries themselves. Some of these policies we have drifted into; and others have been the result of settled and directed purpose. But we all feel that we cannot look forward twenty-five years and expect to see the relations of our country to the nations surrounding the Caribbean remaining exactly the same as they are today. Twenty-five years from now some new order of relationships is bound to exist; and it is our privilege today to discuss what the nature of those policies may be and to set ourselves toward working them out. Fortunately, two such programs for a really national foreign policy with regard to the countries of the Caribbean have been outlined to us this morning. One is to leave them alone; to retire absolutely from active interference from their internal and external affairs. The other is its opposite, and has been urged with great ability; namely that as the inevitable destiny of the United States, we should acquire all of the neighboring territories, purchasing from their European owners those which are dependent, possibly in return for money loans to the nations now at war, and binding the rest to us by treaty under an American hegemony. Both programs have their advantages; probably neither is attainable, because under the pressure of the world war we are beginning to realize that as a factor in this world's

destiny, absolutism, whether of nations or individuals, must go. In like manner, the failure of the concert of Europe has shown that a carefully planned balance of power between nearly equal states is also unable to insure a lasting peace.

In the declaration of mankind against world domination by a single power or group of powers the United States has now taken its full and proper part on the side of a democracy of nations, and there remains one hope, growing stronger with each new expression of international understanding and co-operation, that out of this conflict will arise a new order of international relationships based on international organization. In such an organization we must see that small nations as well as great shall find opportunity for national expression and a full measure of protection. The great nations will, as before, control the destinies of the world; but more and more the need is apparent for some recognizable and satisfactory position for the small nations, which will preserve their integrity and individuality but which would at the same time remove them as incentives to war among themselves or between their neighbors. Such a position, wholly outside of the realm of war, is found only in a state of perpetual neutrality or neutralization.

Neutralization is yet a new idea, scarcely more than a century old. First applied by the Congress of Vienna in 1815, in the neutralization of Switzerland, it is today regarded without question as part of the public law of Europe. It has been made to cover a multitude of objects—states, territories, cities, provinces, islands and canals. Four entire countries have been neutralized, three of them independent states of Europe, and one a union of dependent states in Africa. Switzerland, Belgium and Luxemburg; Cracow; Corfu and Paxo; Savoy; the Basin of the Congo and the Suez Canal have all been placed in more or less permanent neutrality. A little known instance has already occurred in America, and among the countries of the Caribbean, in the placing of Honduras in a state of absolute neutrality for the duration of a ten-year treaty, in which position she is guaranteed by the action of the other Central American states.

Arising from the desire to separate hostile neighbors, the early states to be neutralized were buffer states, barriers liable to be traversed by the armies of both belligerents in time of war. With the century, however, the doctrine has developed new and potentially more effective powers in the furtherance of international peace. Where once entire states were neutralized, provinces and colonies may now be placed in a similar position and forever removed as the

fruitful causes of war or occasions for armed peace. Neutralization diminishes in effect the chances of war between states by removing the most envied territories and the most important strategic positions from the aims and ambitions of international aggressors.

To the smaller states neutralization under international organization offers the promise and guarantee of integrity, independence and the peaceful pursuit of national aspirations. Neutralization creates in no sense a protectorate—protection implies security at the loss of both internal and external sovereignty—but the state placed in permanent neutrality loses no part whatever of its internal sovereignty and only so much of its external freedom of action as may, by its exercise, endanger the very continuance of its peaceful relations with its neighbors. Neutralization is not an affair between guardian and ward, but an international act, an agreement of mutual obligation and understanding between fully sovereign states, undertaken in the interest of them all.

Is such a condition possible, a division of the world into two groups, one of powerful nations, guarantors and guardians of peace, and the other embracing all the rest of the civilized world, small states, territories and colonies, all confirmed by contract in perpetual peace? It may not be attained at once; but the idea is practicable, and the growth of the principle of permanent neutrality has been steady and sure, until through its means have arisen possibilities for friendlier world relationships, undreamed of by early statesmen.

It may be contended that neutralization will not be maintained in the future, that it will fail; and the case of Belgium is cited. The case of Belgium is not the failure of neutralization but a supreme example of its justification. Power can not prevent a country from being invaded any more than a policeman can prevent an assault or a fireman can prevent a fire. But resistance can be aided, the invasion can be turned back, and swift punishment can be meted out to the invader. The fact that England entered the war with all her power to relieve invaded Belgium, and the stern conviction of a united world that this war will not be concluded until restitution has been accomplished, reparation made, and adequate punishment meted out to the invaders, is the strongest possible security for the sanctity of neutralized territory for all time to come.

Neutralization is a remedy lying ready to our hands in removing not only the causes of war but also the intolerable burdens of armed peace. There is no loss of honor to a state in accepting neutralization and no occasion for shame in granting it to colonial possessions.

Free and independent states may ask for and receive permanent neutrality as freely as did Switzerland a century ago, and every state may have the opportunity of expressing its desire before one of the many international conferences now so frequently summoned in the furtherance of peace. The part which may be played by the United States in the future of permanent neutrality is important, but its possibilities are not restricted to our nation alone. The countries of the Caribbean may propose it for one or all of the separate states, and in so doing confirm before the world any principle of permanent neutrality to which they wholly give their support. The result in the furtherance of international peace would be inestimable; it is also within our power to achieve it.

The solution of these problems, which properly lie within the realm of political relations, and are worthy of the deepest consideration, is probably not at this time imperative. I turn, therefore, very briefly, to an immediate and vital subject not yet, as I believe, touched upon at this convention. I refer to the problem of co-operation in the survey, conservation and distribution of that vast supply of unutilized food stuffs available in Latin America, and would seek to discover how best we can call upon our Latin American neighbors, particularly those lying in close geographical relation to our shores, in meeting this problem by utilizing their abundance of life-sustaining food.

This nation is engaged in the most gigantic struggle the world has ever known, wherein all resources are enlisted. It is no longer a matter of army against army, but of nation against nation—where materials, labor and wealth are all called on to insure victory for democracy. Without co-operation not only within the nation but among the nations we cannot succeed. The countries of Latin America have offered their military strength to the extent of their ability; but we are facing a problem vaster and more vital still—the problem of food supply.

When I speak of calling on the countries of the Caribbean to take stock of their resources and join with us in the production and proper conservation of food I would avoid the chances of misunderstanding or misinterpretation. Speaking from a personal knowledge of the countries in which I have lived, I know that Central America cannot supply the foods which we commonly think of as necessities. The countries of the Caribbean are importers of our natural food stuffs such as wheat and corn and beans, and are suffering from lack of these at this time. We cannot call on Central America and the

islands of the Caribbean to supply the Allies with the foods that they need; but we can call on them to supply the world with the foods which they do grow and which they now throw away, in amounts beyond all calculation. A little capital, a little organization, and the constantly ripening new crops could be harvested and used.

I could speak of cocoanuts or of bananas, thousands of bunches of which, being perishable, are thrown into the sea weekly, because there are no ships to carry them. Yet the banana has a food value nearly equal to that of wheat, and an acre in bananas will produce twenty times the food quantity of an acre in cereals, at a fraction of the cost. There are also natural fruits that perish by the million bushels and could be fed to pigs; all of which are lost through lack of organization. It is not of the profits that I am speaking, but of the food for which Europe is starving, and which we in this country are making unprecedented efforts to supply.

The food is there, and within a few days of our shores. A survey and an efficient organization of the wasted food supplies of Nicaragua alone, would feed our armies and leave an abundance for Europe. The governments of the Central American countries are aware of their food resources; but they can do nothing. They lack capital, credit and labor, under our vague distrust of the stability of all things Latin American. The stability of governments in the islands and shores of the Caribbean is, under the existing treaties and policies of the United States, much greater than is generally believed; but apart from that there is a very real stability in the existence of food.

I suggest, therefore, that this conference most seriously consider the advisability of co-operation, now, by our government, with the governments of the nations of all Latin America in the survey and conservation of the valuable food resources of the respective nations and, if the results appear adequate, that we as a nation offer the capital that may be needed to save from waste and utilize these food resources and at the same time supply the organization which in great part those countries have never known.

## THE CARIBBEAN QUESTION

MR. EDWIN E. SLOSSON, *The Independent*: All the speakers seem to be agreed that the dependencies of European powers in this region will fall ultimately to the United States but some of them are apprehensive about the manner in which this transfer may be accomplished. We are fortunate in having a recent exhibition of a model transfer of sovereignty in the case of the Virgin Islands. Here there was no question of the propriety of the transfer, no taint upon our methods of American expansion. I was in the Danish islands some months before the question of their annexation to the United States was brought up, and I found the people there intensely desirous, as they have been for more than a generation, to be taken over by the United States. Porto Rico, within sight of the Danish islands, is such an excellent example of American rule that the people of the Danish islands were more than ever anxious to come under the American flag. This feeling is not confined to the inhabitants of the Virgin Islands, but extends to the natives of various other islands, even the British islands of the West Indies.

Something has been said about the need of democratic control of such transfer. Let me show what was done in the Danish islands. The people of Denmark voted for it. The American Senate voted for it; the people of the islands voted for it in mass meetings; the Negroes voted for it—Negroes cannot vote in some states in the United States; and the women voted for it. Some of our own states still disfranchise half of their population. There is thus greater democracy in the Virgin Islands than in some of the United States, and we hope that it will remain.

Some have objected to paying twenty-five million dollars, but the price per acre figures out not much higher than the seven and a half million dollars offered for the two smaller islands by Lincoln, Seward and Grant, although the price of tropical real estate has risen greatly since those days.

Some say that we want the islands, but not the inhabitants. That is an absurd objection. We are already getting the inhabitants. The Negroes have been flocking to the United States in hundreds and thousands from all the islands of that region, and they will come increasingly unless we annex the islands. In fact, when it was rumored that the United States was not going to buy the Danish islands, the people there organized a movement in which they pledged

themselves to migrate in a body to the United States if America refused to pass the purchase bill. In spite of our injustice to the Negro, many of the people of the West Indies would prefer to belong to the United States, and in the interests of democracy we have no right to compel them to remain under allegiance to alien monarchistic, European powers.

MR. MOORFIELD STOREY, Boston, Massachusetts: As I listened to the first two papers this morning, I could not restrain a feeling as to how completely the atmosphere of this conference has changed. For some days we have been considering carefully how the rights of small nations and the rights of human beings can be preserved. The first two papers frankly pleaded the rights of necessity, and nothing else. We want those islands; they are useful to the United States; we are sure to get them; and we are going to get them—that was the theory.

I was much struck with the phrase in the first speaker's speech about our duty as trustee for our weaker neighbors. I was reminded of the rules for trustees stated by a leading trustee in my native city. The three things, he said, which a trustee must always bear in mind are: first, the safety of the trustee; second, the convenience of the trustee; and last, the compensation of the trustee. That is my fear with regard to the trusteeship which we propose to claim over these weaker neighbors.

I recall the remark of a woman friend, and I think it will go home to every woman in this meeting. She said that a young woman generally preferred her own imperfectly conducted *ménage* to the more absolutely perfect housekeeping of her mother-in-law.

One of my friends here today said that he had noticed all through this conference the absence of world honesty. It is for that that I rise to plead. If we are going to do these things, if it is our right to decide for ourselves whether these people are fit to govern themselves, if it is our right and duty to say when we will step in and govern them and hold them indefinitely, not as members of the American republic, but as dependencies, let us say so frankly. Let us state this as our policy, but let us not next day turn around and say that revolutions in the Balkans do not justify any interference by neighboring powers. Let us not say that proximity to the coast of America dictates the destiny of these islands, while proximity to the coast of Asia does not interfere with our claim to the Philippines. If we are going to ignore the rights of small nations on this side of the water, let us ignore them on the other side also. The argument



which Germany can put up that Holland and Belgium are necessary to her, the argument that Austria needs control of the Adriatic, are just as strong as our claim that we have the right to take these islands and govern them. I cannot help feeling that if we get these islands and Mexico and Central America, we should make the same argument as to the lands north of us. We own half the Great Lakes—why not all of them? The distinction is obvious. The peoples to the south of us are weak, while the people to the north are strong. Are we going to make that distinction in our policy? If so, let us be decent and honest about it. I stand here to plead for honesty and not hypocrisy, to assert that we should not be anxious about Serbia and Greece, and nevertheless try to persuade ourselves that we are acting as “trustees” for our weaker neighbors to the south.

MR. PHANOR J. EDER, New York: I am very thankful to Mr. Storey, as his remarks are the best introduction to the few points that I have to make. His chief point is that we do not take certain nations because they are strong, but do have our eye on other countries that are weak, and that we do wrong in making a distinction between the weak and the strong. Of course, we all agree with him that we must do away with hypocrisy, but there is one distinction that we shall have to make in our policy. That is not the distinction between the strong and the weak, but between those nations, possessions and islands which can govern themselves, and those which cannot.

You will have noticed that the gentlemen here who have spoken on behalf of what we can frankly call an imperialistic policy are gentlemen who, like myself, are acquainted with actual conditions in the Caribbean countries from having lived and done business there, and who know just what the facts are. The others, the mere idealists—Mr. Storey I will have to include in that category, and Mr. Villard—are men not personally acquainted with fever conditions and feverish people.

We are obliged to recognize that some of the Indian and Negro nations of the Caribbean are not fit to govern themselves. If we do not see to it that property and life are safe in those countries, other nations as powerful as the United States will. For the sake of the people there we cannot abdicate our duty. We have to recognize that the principle of governing only by the consent of the governed can apply only to those who have some articulate means of expressing their consent. In many of these countries the great mass of the population have no means of expressing consent or non-

consent. Of course, I recognize that we have to go in there and govern them against their consent, because a small fraction among them that do express their political opinions are hopelessly against the United States. In the Latin American countries and the Caribbean zone they do not like us, and there is no trying to dodge that issue. The only policy that we can follow is to try and conciliate them, and to inculcate a love for democracy by doing our duty in helping them to govern themselves. That can be done by giving them the largest measure of democratic government of which they are capable, and by exercising such a control over the most fundamental points of government as we do in Cuba. The system has worked in that island.

MR. LEON C. SIMON, New Orleans, Louisiana: I hail from New Orleans, where we are face to face with the problems and conditions involved in the relations of this country to the Caribbean islands and countries. One thing that strikes many of us is the lack of any uniform policy toward these countries and these islands. We have a certain policy in Cuba, another in Haiti, still another in Santo Domingo, a totally different one in Porto Rico, a yet different one in the Virgin Islands. In Central America we have still a different policy or lack of policy. We are governing Nicaragua against the consent of the governed, while in Costa Rica we proclaim the doctrine that if any president is evicted by force we will not recognize his successor. I will pause here to remind you of what has already been said, that if we are not going to recognize eviction by force, we certainly should guarantee the fairness of elections; otherwise our position is an impossible one. Our policy in Mexico is entirely different from our policy toward any of the other countries.

What is most necessary for us is to try and evolve a policy, whatever that policy may be. If we want to go on the present theory that the world should be made safe for democracy, we must make up our minds what we mean by that phrase. Do we mean safe for democracy in Europe and safe for the same kind of democracy in the Caribbean Sea, the one where our interests are not affected, and the other where they are affected? Let us be honest with ourselves, and let us above all come to some conclusion. Let the American people who have business interests in the Caribbean, as well as the inhabitants of its islands and mainland know what our general policy is to be. When we get that general policy, then let us go ahead and do the things that are not only in the interests of this country but in the interests of the people themselves, on the basis of our plea for democracy and of the position in which we stand for democracy.

## THE UNITED STATES AND PORTO RICO <sup>1</sup>

SAMUEL MCCUNE LINDSAY

President, Academy of Political Science

THE peoples of the republics of North and South America, notwithstanding the great differences in climate and physical environment which characterize the territory they inhabit, have an essential basis of unity. We assume this much at least in all our discussions of the varied problems of our political relations with one another. It is implied of course in the Monroe Doctrine, whatever scope we give to it. Yet little has been done here or elsewhere to analyze the factors of that unity of purpose, of ideals of institutional life, which we here in the United States assume to be an essential element of every true democracy. We have neglected great opportunities that lie at our door to cultivate international relations, mutual regard and understanding between the republics of the western hemisphere.

It was my privilege and pleasure to serve in the early days of American civil government in Porto Rico as commissioner of education for Porto Rico. I lived there for three years and I came to know the people intimately and to realize something of their ambitions, especially as revealed in their eagerness for educational opportunities. Through those associations and other relations with Central and South America I have come to know also something of the distrust, the suspicion, the antagonism that exists all through Latin America with respect to us here in the United States of America. As has been pointed out by several speakers at this conference we have aroused this feeling of suspicion partly because we have had no settled policy in our political dealings with South America. Naturally, without any defined purpose

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

in playing a dominant rôle in the political development of the western hemisphere, suspicion has been aroused that there may be ulterior motives behind everything we have done.

The closer relationships which we now feel are so desirable must be based, of course, upon a great many different foundations. First, there is the foundation of commercial intercourse, which is perhaps in a fair way to take care of itself. Our business men in America are not so indifferent as they were formerly to the advantages of closer commercial relations. They are not so blind as formerly to the business advantages of transportation facilities and other instrumentalities of trade and exchange between nations, upon which success in commerce is necessarily based. There are also hopeful signs in the direction of intellectual and educational co-operation. Our universities are exchanging professors. Delegations of educators are coming from the various countries of Central and South America from time to time to visit and study our institutions at first hand, and report back to their own countries the results of their observations. We are sending delegations to international congresses, also delegations to visit the various countries of South America to express in this way our interest, and what is even more, to develop in our own people a better knowledge of the aspirations and the civilization of these countries. These are significant signs of a new and better internationalism. There are also not lacking signs of progress in the direction of co-operation in the tasks of government, in international undertakings, in the expression of mutual sympathies, and in concerted action with respect to affairs that concern us all alike. Upon these foundations important developments in the evolution of democracies in the western hemisphere will doubtless take place.

On our part we have failed to give to the peoples of South America any adequate expression of the idealism of the United States, and our people have failed also to understand the idealism of Latin America. Intellectual co-operation and association is the most urgent and pressing need and promises greater results in stable political relations than even the growth of commerce, important as that is. We have had since the es-

tablishment of American government in Porto Rico an exceptional opportunity to develop in that island an experimental station, so to speak, for the cultivation of international relations, co-operation and interpretation of the common ambitions of Latin and Anglo-Saxon Americans. Porto Rico lies at the gateway to the Panama Canal, a gateway through which the commerce of Europe must pass in going through the canal to the Pacific. It is one of the most beautiful semi-tropical islands in the world. There are no flaws upon our title. The people of Porto Rico welcomed our entrance there. Their leaders—and they had leaders, not merely a small group of people who had usurped power, but real leaders of the intellectual life of the island—welcomed our entrance, welcomed our political domination. They saw in our institutions the hope for a great future for their island. We have already done very creditable work in the building up of the foundations of a free, independent government in Porto Rico. We have invited the co-operation of all the native elements in the government. It is a government of the people of Porto Rico. It is true that the governor of the island is not elected by the people but is appointed by the president of the United States. Certain other officers are appointed, but the whole spirit of co-operation has been well exemplified there, and the results have justified our hopes in illustrating what American institutions can do when brought into close relationship with the special problems of Latin American civilization. It is there that we are gradually moulding the local institutions that represent the amalgamation of Anglo-Saxon law and Roman law; it is there that we are gradually building up and strengthening the representative local institutions of government. Progress in municipal government has been the most remarkable part of all the progress that has been made in Porto Rico. It is there too that we are making the greatest progress in education. The population numbers over a million people, eighty-five per cent of whom were illiterates with almost no elementary school system when American government was inaugurated. The financial resources of the island were meagre compared with the needs and costs of government;

and yet there has been built up a substantial elementary-school system, supported out of the revenues of the island. There has been an endeavor to build up higher education, and it is one of the greatest neglects that we have been guilty of that we have not seen the opportunity for a larger and wise investment in that direction. There was established fourteen years ago by act of the insular legislature of Porto Rico the University of Porto Rico, planned on the scale of a great American state university. Provision could be made only for a very meagre beginning in working out that plan. It was hoped by those interested at that time that this enterprise of an American university might appeal to American philanthropists, that there might be established there what is one of the greatest needs of the whole South American continent, a great school of medicine, that could be made the basis for the development of more effective public sanitation and public health work which is so much needed throughout all the countries of Latin America. There is also great need for a school of law, where the legal institutions and the political sciences could be studied and cultivated by the greatest scholars of North and South America coming together in such a school. There is also a great opportunity for a school of agriculture. I might go on indefinitely with all the departments of a real university and show an equal need and opportunity for all, especially for a school of business, a school of liberal arts, and a school of science. As the United States moves out of her provincialism and takes her place in world affairs there is no step at this moment where an expenditure of a hundred million dollars would give a greater return for all future time than in making Porto Rico a model of all that is best in American government, education, sanitation and industrial regulation, and a model experiment station in testing and working out the adaptation of these things to all that is best in the life and institutions of a Latin American population. The United States has given little or no financial aid to Porto Rico and the island thus far has had to pay its own way. An expenditure of twenty-five or fifty million dollars on the educational institutions alone of Porto Rico in a way that would bring together

in that island in intellectual co-operation the leaders of thought and of political life from all the republics of the western hemisphere would be an excellent investment.

It is not until we awake to the opportunities that we have neglected and ignored, and begin to realize that it will pay us to make an investment in cultivating friendly relations and building the foundations of mutual understanding and co-operation between the republics of the western hemisphere, that we as a nation shall really be alive to the great political questions which we are discussing in this conference, especially those that have to do with our policies in the Carribean and in South America. The intellectual as well as the material resources and wealth of the United States must be mobilized and made serviceable for our common needs if we are to bring the Americas together.

## DRAWING TOGETHER THE AMERICAS<sup>1</sup>

ROGER W. BABSON

Wellesley Hills, Massachusetts

THE social, commercial and financial development of the Americas awaits two things: first, mutual understanding; and second, world organization.

### *Differences in Social Customs*

On one of my trips to Latin America a fine Illinois family, consisting of father, mother and two daughters, was aboard the ship. The daughters, refined and educated girls, for whom we all had the greatest respect, often went about alone when we landed for a day or two at some South American port, as their parents were not very strong. Gradually it was noticeable that none of the Latin American passengers would associate with them, and after a time we discovered the reason. Latin American girls are so closely chaperoned that the freedom which our women have is not understood, and our fellow-passengers could not believe but that these girls must be bad women. This trivial incident illustrates our need for paying greater respect to the customs and feelings of those people. It shows how easy is the question of misunderstanding on both sides. It is one of the many misunderstandings which are now keeping us apart from our Latin American neighbors.

### *Religion and Social Exclusiveness*

I was in Panama during February 1916 at the time of the Congress on Christian Work in Latin America. During that time I had a long conference with Dr. Porras, the president of Panama, who was generally supposed by the delegates to be their violent enemy. He explained to me that such was not the case. Said he:

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Owing to Panama's convenience to all the countries of North, South and Central America and, in view of its temperate climate, the people of my country welcome to Panama conventions of all kinds. But if the good men and women of the United States want truly to help Latin America, they should not attempt to proselyte our people. Latin America is a solid Catholic country and must be helped through the Catholic Church. Talk with our priests, confer with our bishops, go to Rome if necessary; but don't tell our people that our religion is no good. If the people of your great United States ever hope to draw together the Americas, you must work with us and through us.

If we really desire to aid Christian work in Latin America let us call a conference not of a few Protestant missionaries, but of the Catholic bishops and their delegates, who know and control ninety-five per cent of the people of South and Central America. When we do this our missionary societies will build hotels, operate hospitals, and work for and with the Catholic Church. Not until then will the people of the United States be respected in Latin America. So long as we talk freedom and at the same time try to proselyte their people, they think we are mere hypocrites. But this again is a misunderstanding of North American exclusiveness.

I recently asked a prominent Colombian gentleman why the people of the United States are looked upon as hypocrites by so many of the people of South America, and he at once replied:

Because you stole the Panama Canal zone from us and are now going to war to help France get back Alsace and Lorraine. We don't back up Germany and Austria in this wicked war; but, if you make Germany and Austria return their conquered territories, we hope you will be considerate and return what you have secured in the same way. We were very much frightened when you stole Texas, Arizona, New Mexico and California from Mexico. This last act of yours, giving Colombia the double cross, convinced us and our neighbors that you are a hypocritical, unfair and dangerous people. Hence, we want nothing to do with you. We don't feel easy with your people in our country. We are suspicious of you all.

When I remonstrated, he answered :

Well, if your young people are down here to be of real service, why are they so exclusive? Why do they stay for only a year or two and then leave for home? Why do they keep by themselves and refuse to mix with our people? Certainly the actions of you North Americans down here look very suspicious.

Once more suspicion is due to mutual misunderstanding.

To a slight extent there is ground for misunderstanding. Until recent years many of the North Americans who went to Nicaragua, Honduras and Guatemala were men who had committed crimes in the United States and had fled to Central America to escape punishment. Therefore we cannot blame the Latin Americans for disliking us. Opinions are like merchandise in being judged by sample. Certainly we have sent some pretty poor samples of the United States to Central and South America. I think that we are not sending such men now. The representatives of our great corporations in Latin America today are fine specimens of manhood. I honor and respect them greatly. If the people would only learn to know these men, one element of misunderstanding would disappear.

### *Errors in Diplomacy*

Another cause of misunderstanding in Latin America is our uncertain and inconsistent diplomacy. This is not a criticism of the Wilson policy. The "dollar diplomacy" of the Taft administration was disliked even more, while President Wilson's Mexican policy is favorably commented upon throughout Central and South America. The inconsistency of our diplomacy is what troubles Latin Americans. An official of one of those countries said to me: "Why do you keep United States marines in Nicaragua and practically run the Nicaraguan government, while you preach democracy and the right of small countries to settle their own affairs?" Latin American respect for our diplomacy is also lessened by our bluffing. We go too far to begin with and then back down. We are disliked for both things by people who are naturally proud like ourselves. When we threaten them or attempt to dictate to them, they dis-

like us at the start. Then we hurt ourselves by not making good our threats. We ought to interfere as little as possible, but when we make a just request, we ought to insist upon its execution. Our policy has often been the very reverse of this.

Again, we have been unfortunate in some of our diplomatic appointments. Our consular service is splendid. The "career men" in the diplomatic service are admirable fellows. It is a shame that a rich country like ours does not pay them more. The idea, however, of appointing a man who has never been out of the United States as minister to some Latin American country because he contributed liberally to some campaign fund, is absurd. The situation in this particular, however, has improved. I am sure that the appointments of each administration are an improvement upon those of the preceding. But our entire system of appointing foreign ambassadors and ministers is absolutely wrong, and these men are the first to admit it. The fact that we are so lavish in our "pork-barrel" expenditures and so stingy with our diplomatic and consular service, is absolutely incomprehensible to Latin Americans. They look upon us as hypocrites for preaching world peace and Pan-Americanism while we are willing to pay so little to the faithful men in these foreign services upon whom our future peace largely depends.

### *Our Bad Merchandising*

Many Latin Americans misunderstand us for the way our merchants and manufacturers use their countries as dumping grounds only. When business is poor in the United States, our people send salemen to South and Central America to sell their excess goods. The salesmen succeed and the goods are liked after our southern neighbors have become acquainted with what yards and inches, bushels and pounds, mean. (You understand that in many ways Latin America is much more up-to-date than we are. They use the metric system, for instance. They do not permit a few selfish tool manufacturers, with friends on congressional committees of weights and measures, to hold up what would be a real benefit for the entire country.)

Every period of depression is followed by a period of prosperity, and by the time that Latin Americans become accustomed to our goods, the manufacturers of the United States no longer need foreign markets. The home demand takes all their product, and South or Central American orders are, in consequence, not filled. Our manufacturers, indeed, sometimes do not trouble to answer, thinking they can make their Latin customers believe that the orders of the latter never arrived. Such occurrences irritate these people greatly. Germans and English are, in consequence, much more popular than are our people. The German puts his foreign customers even before his domestic trade. It is impossible to create and hold foreign trade on any other basis.

Owing to the close family ties of South Americans, a single offense committed on the part of New York merchants may lose the business not only of a single customer, but of a considerable portion of the entire white population of a city, and through his family connections the offended merchant may boycott every concern in New York.

### *The Color Question*

The attorney general of one of the Latin American countries recently sent his son—whom we should call a mulatto—to the United States for a technical education. Upon his arrival at one of our southern ports he went to one of the hotels and there was refused admission as a Negro. Although he was received with more courtesy after his arrival in Baltimore, where he came to study at Johns Hopkins University, he was finally made so uncomfortable that he left for New York and returned to South America on the first boat he could get. His father then sent him to Berlin. In Germany he was received at the best hotels, was allowed to travel first class on the best trains, was given every courtesy possible, and was treated as a distinguished Latin American. The father of this man takes no stock in our talk about liberty and equality, or democracy versus autocracy. Do you wonder that he prefers Germans to Americans? Do you wonder that when our people are involved in cases before him as attorney general he is pre-

judiced against them? Are not he and his friends justified in disliking the United States? I am not criticizing our South for their treatment of this young man; if his father had been brought up in Mississippi, he would understand it all. I do say, however, that before Latin Americans will ever take us seriously, we must revise our treatment of the colored race.

Not only are our people prejudiced against color, but they fail to understand the psychology of the Latin American natives. A young engineering graduate ordered fifty wheelbarrows for use in Nicaragua. He was told that wheelbarrows are not used by the people of Central America. He insisted on sending them. The wheelbarrows arrived before the engineer, and he found that the natives had taken off the wheels, knocked off the handles, and were carrying the bodies of the wheelbarrows on their heads. He was greatly vexed, and attempted to punish the natives by taking the cost of the wheelbarrows out of their pay. With what result? He was driven out of the country, and a German engineer who was willing to adapt his ways to the native customs was hired in his place.

### *The European War*

Then of course the leaders of Latin America believe that this great European war has two sides. They believe that in reality two wars are being fought: one war is being waged by England and France for political democracy and political freedom; while the other war is being waged by Germany for economic democracy and economic freedom. In the fight for political democracy, Latin America is with the Allies; but in Germany's fight to break down the bars and secure the fruits of her own economic efficiency, Latin America is sympathetic with Germany. The Latin Americans know the superiority of German commercial service to the service which we give them, and they do not want to be dependent upon us. Latin America will consider a political Monroe Doctrine, but not an economic Monroe Doctrine.

### *Necessity of World Organization*

This brings me to the second part of my subject—world organization. Such an organization is absolutely essential for

drawing together the Americas. We must learn to understand one another; but mere understanding is not enough. Chaos and anarchy in international affairs are even worse than in national affairs. The Americas can never be drawn together so long as each nation is free to legislate against the interests of other nations, or to consider only its own selfish ends. Moreover, the policy of "America for the Americans" will never be practicable. Organized Pan-America will be a success only when it includes the entire civilized world. The Monroe Doctrine will never be safe until, as President Wilson has so admirably suggested, it is extended to protect the entire world as well as the western hemisphere. Our own interests in Latin America will never be secure until the interests of Great Britain, Germany, Japan and the other nations are likewise secure.

Nations are simply masses of human beings. To win the respect of a nation, we need apply the same methods as to win the respect of a neighbor. And what are these methods? What is the law of like and dislike? Why, the very words themselves tell the story. Like reacts as like; while dislike reacts as dislike. Respect reacts as respects, while disrespect reacts as disrespect. Treachery reacts as treachery; while service reacts as service. All we need to do in order to win the people of Latin America, or of any other nation, is to apply the Golden Rule. We must do unto the people of other nations as we would want them to do unto us were we in their place. Respect for ourselves can be secured only by our respecting others. Others have confidence in us only as we put confidence in them. Such progress can be developed only through organization.

#### *What the War Teaches*

The great lesson of the European war is the value of economic organization. The nations are coming out of the European conflict in the order of their powers to organize and produce. Organization in agriculture, industry, and other phases of economic life will win this conflict, not military strategy. Captains of industry are in demand today even

more than army captains. Germany's submarines would do her no good, were she not organized to be self-sustaining; neither would they do England any harm, if England were organized to be self-sustaining.

The class struggle within the nations will also be settled in the same way. Sympathy will never be a factor in drawing together capital and labor, any more than in drawing together the Americas. The side which produces the most is the side which will win. The union card may now help the worker, and a membership in the Union League Club may temporarily be of use to his employer; but their children will sink or swim in accordance with what they produce and distribute.

New legislation which removes trade and labor restrictions is a forward step; but all legislation which adds new restrictions in the interest of either capital or labor, or in the interest of any one race or continent, is a step backward. Artificial barriers always result in weakening the very classes or race which such legislation attempts to protect. An equal chance is all that we can give any person, class or nation; but such a chance they must and will get. Furthermore, not until they do can there be any permanent peace.

In my statistical work, I can take sides neither with the employer nor with the employee; neither with the North American nor with the South American. My work is simply to point out that the groups and individuals with the most ambition, enterprise and originality to produce are the ones who will ultimately come out on top. Neither need you take sides with either the free traders or the protectionists as such. You should make it clear, however, that the nations can never be drawn together so long as one nation can discriminate against the trade and the people of any other nation. I go further and say that the so-called economic conference recently held in Paris by the Allies was a crime and a disgrace.

The real causes of war are economic, and the international relations of the future must be worked out on economic lines. This means that the seas must be under international control; that there must be no discriminatory tariff, immigration, or other unfair laws; and that men and property, when outside

their own countries, must be under the joint protection of the nations, assuring equal security and opportunities to all.

Statistics clearly show that under present conditions war is inevitable, and that it can be abolished only gradually by developing more democracy and equal opportunity in and among all nations. Only as it gradually becomes unnecessary for each nation to assert independently its own rights and privileges will the causes of war be eliminated. Peace depends upon the assurance to nations and individuals of the fruits of their own economic efficiency without resort to war. Then we shall not need to draw the nations together. They will automatically draw themselves together.

The fundamental difficulty with commercial relations between the Americas today is lack of organization. The ultimate solution must come about through a proper organization of the nations. The fundamental difficulty between the United States and the German people today (I do not say the German government) is due to lack of world organization. The ultimate solution must come about through a proper world organization. What are we doing to bring that about? We have appropriated billions to destroy the world and hardly a cent to organize it.

Let not the present world war, waged in the name of liberty and democracy, end without some practical organization of the world. Let not our sons and brothers go to their death on the battlefields of France and Mesopotamia, let them not leave these shores, without our great president's constructive message calling for world organization ringing in their ears. Let us not be content to talk vague words such as liberty, freedom and democracy; but let us explain how the world can be organized so that it will be "safe for democracy."

Such organization means a world government under which the people of each nation will be free to govern themselves so long as they do not block the peaceful growth of other nations. It means a world government which will: (1) assume the great war debts of all the nations in exchange for their excess armaments; (2) regulate shipping, mails, cables and other means of communication between nations so as to guarantee



to each the freedom of the seas; and (3) have a veto of any discriminatory tariff, immigration, colonial or other foreign policy of the separate nations such as would lead to war. It means a world government built like the present great republics, getting its income from a uniform tax on trade, and operating along lines upon which the leaders of all the great nations are already agreed.

For a statistician I have perhaps read a peculiar paper on drawing together the Americas. Experience with Latin America, however, has convinced me that the great problem before us is not financial or commercial, but rather psychological and political. My diagnosis may not be correct; but it is honest. Therefore I must present it to you in this way. As I said in the beginning, to draw together the Americas, two great things are necessary, mutual understanding and world organization.

## COMMERCIAL AND FINANCIAL AGENCIES OF PAN-AMERICAN UNION <sup>1</sup>

JAMES CARSON

Former Associated Press Correspondent at Mexico City

I FEEL very deeply on the question of the drawing together of the Americas. Perhaps because I lived ten years of my life in Latin America and learned sincerely to love that section of the world, or perhaps because I was charmed with the exquisite music of the Spanish language, or that I count my friends from Chili, Argentina and Brazil up to Mexico; perhaps for any or all of these reasons I rather exaggerate the importance of the drawing together of the two Americas, but it is to me an exceedingly important question.

Sometimes when I lived in Latin America I used to writhe, because I thought our country had approached so blunderingly some of the questions which arose. I fancied I was in the position of a man who could not see the forest for the trees; but since I have left Latin America I have gotten my perspective, and I think I was right to the extent that we have made many unfortunate mistakes in our dealings, both commercial and diplomatic, with Latin America.

I should like in passing to say a word concerning the character of our citizens in Latin America. I have American friends in the colonies of the principal cities of every one of those countries. I have lived in the American colony in Mexico City. I have visited in the American colonies of Rio de Janeiro, Santiago, Valparaiso, Buenos Aires and Lima, and I have never found a finer body of Americans than are today living and representing us in South America, Central America and Mexico. I know that every one of my friends was traveling under his own name while living in those parts; I know

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

that every one was a loyal, good American, and I am sure I am proud of every one of them. These are the men who are doing more today than our diplomats in bringing the two Americas together. Let us honor them.

The drawing together of the Americas has been a subject of particular interest in the business and political circles of our country for the past three years. In 1914 the shock of the Great War threw our South American neighbors into a closer relationship with us than had years of oratory and treaty making. This world conflict rudely snapped commercial, political and intellectual ties which had been centuries in the making. It literally tore South America away from Europe. Not until this upheaval did even the well informed of the northern continent realize how little we counted with the South Americans, how completely they were dominated in the intellectual, political and commercial fields by the Europeans.

But the war did more. It awakened many American business men whose interest heretofore had been bounded by the demarcations of their particular districts or states, to an almost romantic interest in South America. Here was a land of promise; here lived 80,000,000 people able and eager to buy our products; here was an El Dorado which kind fortune had thrown into our lap. A certain few who knew deprecated this ultra-optimistic attitude. None better than they, who for years had been skillfully, scientifically and conservatively developing this field, knew of its importance; but they suffered none of the illusions of the uninformed, the consequences of which for a time threatened to endanger these very ties of close political and commercial relationship for which the newly interested were shouting vociferously.

This unpreparedness on the part of the ignorantly well-intentioned for a time caused a reaction. They complained that they had been deceived, that the market was non-existent or that its possibilities had been grossly exaggerated, that Pan-Americanism was a myth, and that a community of interests and a real spirit of fraternity with our southern neighbors was the dream of a doctrinaire. To this unfortunate element was added another one, happily small; a few unscrupulous men

deliberately took advantage of South America's needs to send inferior goods to that market. This time the wail came from the other side, fostered by our European trade rivals, who for years have lost no opportunity, through subtle publicity campaigns, to misrepresent the American business man, his methods, his ideals and his country, to the South Americans.

Time has practically eliminated the unscrupulous; the unknowing well-intentioned have learned, are learning, or have dropped out. What concerns us now in this question of the drawing together of the Americas so far as commercial and financial facilities are concerned is, shall we be able to hold what we have gained by the accident of the Great War? What is the South American market? How are we regarded as a people and nation by our southern neighbors, and what effect have these opinions had on our commercial and financial relationships in the past and how vital are they to the future? What are our European rivals doing to offset what we have won? Has our diplomacy helped or hindered?

It is of vital importance that we know the truth about the South Americans and that they really know us before there can be any real drawing together, either political, economic or intellectual. How divergent are the views may be indicated by the recent utterances of a professor of economics at Cornell University and those of a widely known advocate of Pan-Americanism. The former said:

In trying to develop trade with the South American countries we are "barking up the wrong tree." We have been led by the lure of Pan-Americanism, which like the Monroe Doctrine, is a devitalized formula. The term pan-Americanism has bemused us; we have been attracted by the word America just as we were fascinated by the word republic when used to designate the military autocracies to the south of us.

Any ground we have gained during the war cannot be held permanently; the reason why formerly we have not sold our products in South America being exactly the reason why in the future we shall fail to do so: we do not produce the things that the South Americans want and we do not want the things they produce. The things that we want to buy, Europe, not South America, is willing to sell; what

we want to sell, Europe, not South America is able to buy. The exports of South America, like our own exports, rightly go across the Atlantic to Europe. Therefore, South America is our competitor, not our customer.

I am not sure that the writer has been quoted accurately, as I took his statements from a published magazine article, but I am sure that what he is reputed to have said is as wide of the mark as the most visionary dream of any uninformed manufacturer.

His is one side of a picture. Listen to the Pan-American:

South America with its eighty millions awaits the enterprise of the American manufacturer and merchant. The day is coming when the ships of the countries of both continents will make the north and south ocean routes as busy and as important as the trans-Atlantic lanes of today. A market, the immensity of which is not yet realized by the American business man, is within his grasp. Will he take advantage of this unparalleled opportunity?

Somewhere between this statement and the other lies the truth, and it might be said in passing that this point is not near either extreme. Population is not a safe guide when estimating the potential markets of South America. It is incorrect to classify the South Americans as our competitors, and it is no less inaccurate to maintain that we have not for sale what the South American wishes to buy, or that he does not produce what we purchase. The diagnosis of the professor is wrong. Such ills as affect North and South American relationships have been in the past and are today psychological rather than economic.

The last report of William Henry Robertson, consul general at Buenos Aires, informs us that for the first time in history the United States in 1916 became Argentina's chief supplier of merchandise, a place held previously by Great Britain, with Germany second. At the same time the Bureau of Foreign and Domestic Commerce announces that our trade with Latin America has reached an average of \$170,000 a day. While it is true that a large part of this enormous growth in trade is due to the accident of war, and that it will continue

to increase during the struggle, and for a very considerable time after its termination, it is not true, it seems to me, that the proclamation of peace will witness any great turning of the South Americans to their old mother, Europe, provided we in the United States handle the situation understandingly, which in this case means sympathetically. We have the goods, we are rapidly and admirably creating the facilities both in the matter of banking and transportation. What is wanting is a fundamental understanding of each other on the part of the two peoples. We must know their history, ideals and aspirations. I mean the clash of Latin and Anglo-Saxon ideals, for of course there are many peoples in Latin America. Only with this comprehensive understanding of the market shall we hold and enlarge our present position of commercial supremacy, and what should be its corollary, sincere friendship. They must unlearn their conception of the Yankee. The latter is fully as important as the former to us in this question of the drawing together of the Americas.

We have had years of banqueting and love feasts. They have served their purpose in a measure, have done some good; but to make this sort of thing the principal effort in our future endeavors to draw together the Americas, will be positively dangerous, not only commercially but politically. This was forcibly brought to my attention during a recent journey which carried me through the principal countries of South America. While in Buenos Aires I talked with a brilliant young journalist who knows us thoroughly, having taken a degree in one of our universities here. The conversation drifted, as it always does on such occasions, to Pan-Americanism. My companion was somewhat cynical, though disposed to be decidedly friendly. Finally he said, "What is the equivalent in Spanish for 'bunk'?" Somewhat startled I answered that I knew of no such word. "Well," he replied smilingly, "we shall have to coin one down here unless Pan-Americanism is going to mean more than banquets and oratory."

When I crossed the Andes into Chile, I sought to draw out my new-found acquaintances there to ascertain if there was any necessity on that side for the minting of a new word. Behind

the barrier of the exquisite music and courtesy of the Spanish language, I thought at times I could discern something of this longing for a Spanish equivalent for our inelegant, though expressive word. Likewise in Peru I found that many of the banquet flowers, oratorical and otherwise, were beginning to pall. Therefore I say I believe the time for talking has passed; we must be doing.

What can we do? First we must combat the campaign of our trade rivals who for years have persistently sought to discredit the Yankee (we are so known everywhere in South America). Our first great work is to convince the South Americans that we have no imperialistic designs. This task is perhaps greater than you realize.

While the well-informed among the South Americans comprehend our real intentions, even in them there lurks the germ of suspicion which becomes active on every possible occasion. This is due to our acts in the past and to the persistent propaganda work which the Germans in particular, and our other European trade rivals in general, have for years kept up in the newspapers and magazines of those regions. They have kept the spectre of possible Yankee domination and alleged imperialistic designs constantly dangling before the eyes of the South Americans.

No matter how reassuring our words may be today, it is only fair to the Latin Americans to admit that our acts in the past have been otherwise. Examine them even cursorily, and it will be seen that from the day when we acquired Louisiana in 1813, after Aaron Burr and others had decided to take it in the event of Napoleon or Spain refusing to sell, to the present year of our acquisition of the Danish West Indies, our record has been one of consistent expansion. In the intervening hundred years we purchased Florida after secretly occupying the territory with our military forces; allowed Texas to annex herself to us; took by conquest the immense territory then known as California; advocated the annexation of Cuba during the administration of President Johnson, in the name of the laws of political gravitation which threw small states into the orbit of the great powers; demanded the seizure of Santo Domingo, as

a measure of national protection, during the term of President Grant; enunciated the principle of the sovereignty of the United States in the western hemisphere during the tenure of Secretary of State Olney, when a break threatened between England and Venezuela; annexed Porto Rico; seized the Philippine Islands, Guam and one of the Marianne Islands; and acquired the canal zone. All of this great territory is Latin in language, religion and tradition. Is the record on its face imperialistic or anti-imperialistic?

Our European rivals have utilized to the full this ammunition and are continuing to do so. When I was in Rio de Janeiro during September of last year I read an article several columns in length on the editorial page of the *Jornal do Commercio*, the leading periodical in Brazil and one of the most influential newspapers in South America. It treated of the Monroe Doctrine, attributing that instrument to the English statesman Canning, and pointing out that in its present shape the historic document was the false and distorted product of North American jingoism. The article cited a dinner given by Secretary of State Seward, in which the Secretary was made to say in an after-dinner speech that the South American continent was shaped like a ham, which reminded him that Uncle Sam was fond of pork. The hand of the foreigner was so plain in this that its authorship could almost be fixed.

For years scores of stories of this character, and others attacking the integrity of the American business man and the ideals of his government, have continuously appeared in the press of the different countries of South America, until the man on the street couples everything Yankee with selfishness, sordidness and dollar chasing. Our only virtue in the eyes of the average untraveled South American is that of bigness. *El Coloso del Norte* they call us, and that generates fear, as well as admiration.

Our first great work in the drawing together of the Americas should be to erase this European-painted picture, and, through proper and persistent publicity, indelibly stamp the truth. This work should be undertaken on a large scale, should receive the moral, and, perhaps the material, support of our



government, should be fostered by our great industrial organizations, and should in part be carried on under the auspices of such institutions as the General Educational Board or the Rockefeller or Sage Foundations.

It has many angles and must extend over a period of years. Not only must an intelligent and comprehensive press campaign be conducted by those fitted with a knowledge of the language and the psychology of the Latin, but greatly enlarged arrangements should be made for the encouragement of the attendance of South American youths at our universities, colleges, schools of commerce and engineering, through the offering of scholarships and otherwise. This feature seems to me of supreme importance. In clubs or on railway trains and aboard steamers during my recent trip through South America, I frequently met men who had attended our schools here, and I always found them champions of the United States. To the father, the outside world revolved about Paris in most cases, though London sometimes was the font of culture and worthwhile things; but the son who had received his education in the great republic of the West was in every case a Yankee missionary, a priceless publicity agent. Illustrated lecture tours by those who really know both peoples and languages will help in this publicity work, as will also the business agent who represents us in the field.

This effort is necessary for the real and lasting drawing together of the Americas, but before the ground can be so prepared we must have the men to do the work. Some splendid and praiseworthy pioneering has already been done by our great industrial and banking organizations, notably the National City Bank; but up to a short time ago even that institution was encountering great difficulty in securing properly qualified men to carry on the American campaign comprehensively, though it is systematically educating them now as rapidly as possible. I visited the branches of this bank in Bahia, Rio de Janeiro, Montevideo, Buenos Aires and Valparaiso, and in each place I found Germans or Englishmen in charge or occupying positions of large responsibility—not the

most desirable men for the drawing together of the Americas from the standpoint of the United States.

Up to a comparatively short time ago many American houses were selling goods in South America through English and German agents. If we are to hold the field we must have properly trained American representatives on the spot. We cannot continue to employ trade rivals and permanently win either friendship or markets. Before we can properly export goods we must export properly trained men. It is not enough that the men who are to conduct this work, either from the actual business end, or from the publicity angle, should know Spanish or Portuguese, they must know the people and the "whys" of the people. It is quite true that there is nothing mysterious about South American trade. The same business principles apply there as in other parts of the world. The old cry against the Americans about poor packing and arbitrary credit arrangements has lost reason during the past two years. In these particulars we are today equal to Europe or ahead of her. The method of getting and holding business, however, requires the most esoteric knowledge. The psychology of the Latin is not that of the Anglo-Saxon, and without a knowledge of the springs of character it is impossible to fathom motives, forecast actions or permanently maintain close relationships.

The Latin American is the offspring of the Spaniard of the heroic type, or the meditative Portuguese who once dominated this earth. It is impossible to understand him or explain his character unless we go far back into the days of Spain and Portugal and follow the molding influences of a colonial régime marked by tyranny, jealous exclusiveness and fanaticism. Today, says Garcia Calderon, despite the invasion of cosmopolitanism, the old life persists in cities as important as Lima, Bogota, Quito and many others.

The same little anxieties trouble mankind, which no longer has the haughty moral rigidity of the old hidalgos. Belief, conversation, intolerance—all retain the imprint of the narrow mold impressed upon them by three centuries of the proudly exclusive spirit of Spain and Portugal. The old life, silent and monotonous, still flows past the ancient landmarks.

When it is realized that individualism is the basic note of Spanish psychology, an Iberian characteristic which has all the force of an imperious atavism; that the present-day Latin American is the product of that fierce strain of religious fanaticism which the Moors brought into Spain, and the assertive love of self-government expressed in the charter of León in the year 1020, antedating the Magna Charta wrested from King John, thus making liberty and democracy of more ancient date in Spain than in England, our American business man will be more tolerant in his judgment. Let us have our young men preparing for this South American trade study Spanish and Portuguese by all means, but let them not neglect the peculiarities which constitute the genius of the Latin Americans. A study of the meaning of the lives of such men as Bolívar, San Martín, Francisco de Miranda, Páez, Balmaceda, Santa Cruz and others will prove a real business asset and an invaluable aid in the work of the drawing together of the Americas. In this connection it might be practical to suggest to educators the compilation of such a book of biographies for the use of students in the Spanish classes of our high schools, universities and colleges of commerce.

There is another weak link in the chain we must forge for the drawing together of the Americans. I refer to the lack of direct telegraphic facilities with a very large section of South America. At the present time a message destined for any point on the east coast north of Buenos Aires must be sent via London or down the west coast via Colon to Valparaiso, then overland across the Andes to Buenos Aires, where it is relayed over a British line to destination. The situation in Brazil is such that our American ambassador cannot communicate with his government except through the use of lines owned and operated by British companies. There is but one direct east-coast cable connecting North and South America, and that is owned by France, and has its terminal point at Para. Great Britain absolutely controls the situation in that a concession gives it the exclusive right until 1933 to connect any two points in Brazil by cable.

Thanks to the stimulus of the war we probably shall emerge from the struggle with a real merchant marine, despite the activity of the German submarine. General Goethals promises 3,000,000 tons of steel shipping in eighteen months; the shipping board speak of a thousand wooden vessels. However this may be, we must be of one opinion that the after-war struggle for foreign trade will be the sharpest and keenest the world has yet seen. With a thoroughly awakened England made efficient as never before, a Germany hungry for the trade she has lost, and a France sharpened by her recent great trials, we shall need all that we have of money, ships and brains.

Two markets exist in South America, one for goods, the other for capital. The first is limited. Although the continent has a population of 80,000,000, the Spanish heritage has left more than 60,000,000 of these in a primitive state which for years will exclude them as prospective customers. The others want and are willing and able to pay for the best; our merchants should thoroughly realize this. The second market is unlimited. Only those who have traveled throughout South America realize the stupendousness of the undeveloped material resources. Let it be said that though we have a knowledge ever so esoteric of the character of the Latin American, and though we gain his sincerest friendship, American capital will not flow plentifully southward unless assured of fair treatment. Our diplomats must be men trained broadly, our State Department must apply a sliding measuring rod to fit the psychology of each situation as it arises. We have been hearing a great deal lately about the opportunities for American trade in China, Russia, Australia and South Africa as well as in South America. We are told that to develop these opportunities is a national obligation and a patriotic duty. If American trade anywhere in the world is developed it will be due finally to individual effort. It will occur because individual Americans, operating alone or through private corporations, invest their capital in foreign parts, buy foreign securities, build warehouses, establish branch offices, send salesmen and resident agents. This is legitimate enterprise and the men who have the courage to initiate it must not be classed by the press of our

country or by our government as piratical gamblers engaged in exploiting foreign peoples; nor must they be told that they have taken long chances in the expectation of winning large profits, or that their motives are purely selfish and that they are therefore entitled to no consideration.

Will American trade in South America, or anywhere else, ever be developed except through the selfish desire of individuals to make a profit? How can American capital and enterprise in South America or in the United States of America construct railroads, build mills, erect packing houses or factories, open up mines or sell goods without exploiting the country, that is, without making a profit out of it?

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## BRINGING THE AMERICAS TOGETHER <sup>1</sup>

L. S. ROWE

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**I**T is a sad comment on human insight that we should have required the devastation of a great war and an imminent national peril to open our eyes to the possibilities of international co-operation in the fullest and broadest sense. During the Pan-American Financial Conference of 1915—at a dinner at which the ministers of finance and the leading financiers of all the countries of Latin America were present, the then Secretary of State of the United States startled his hearers by speaking of the possibility of close financial co-operation between the United States and the republics of Latin America, and even formulated a plan under which the United States would lend its credit to the sister republics in order to enable them to secure funds at more reasonable rates and to protect them against the exactions of private bankers. The surprise was perhaps even greater when one of the leading financiers of the United States, a man of real statesmanlike grasp, while reserving a final opinion, upheld the feasibility of the plan and its deep international significance.

The difficulty has been that we have been accustomed to regard peace as a purely negative condition, not associating therewith any positive form of international organization or international co-operation. This period is now over, and we may confidently look forward to a future in which international co-operation for specific purposes will cover a field far broader than any which we have hitherto known. We shall emerge from this war with a new vision of what international co-oper-

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

ation means. America's contribution to the maintenance of a durable peace will depend, to a larger degree than we are accustomed to think, on the examples which we shall set in the adjustment of the relations between the republics of this continent. The international policy of the American continent must not only be dominated by the utmost good faith, but must set new standards of international helpfulness. I am convinced that ten or twenty years hence, we shall regard as both primitive and inadequate the traditional attitude toward governmental co-operation in the solution of the domestic problems with which the nations of America have to deal.

The President of the United States has said that we are the champions of constitutional government on the American continent, and we are certainly deeply and vitally interested in its development. This does not mean, however, that we are to insist upon any particular type of government or any special plan of political procedure. What we are interested in, both for ourselves and for the other nations of the American continent, is the growth of a true political and industrial democracy. For the attainment of this great end, the republics of the American continent must be prepared to assist one another in ways other than mere verbal expressions of good-will.

Democracy means something more than a governmental system; something far deeper than the election of public officials; something far more significant than a particular type of written constitution. It means, in the last analysis, the solution of certain basic industrial and social problems such as the elimination of peonage, the governmental guarantee of a minimum standard of life to the masses of the working people, a well-organized system of protective labor legislation, an agrarian system based on a numerous land-holding class, an educational system open to all on terms that are really and not merely nominally equal.

If the democracies of America are to unite for common purposes, they must understand one another, and this understanding must involve far more than the absence of friction between the governments. It must include a real understanding by the people of common aims and purposes. Lack of un-

derstanding is the most fruitful source of distrust, and on distrust no community of action can be based. In the solution of their internal problems, the republics of America can be of great mutual service, placing at the disposal of one another not only the results of their experience, but the services of those who are able to assist in the solution of these problems. Beyond all these concrete problems there loom up vast possibilities of financial co-operation. It is altogether likely that after the experience through which we are to pass in the course of this war, we shall no longer hesitate to come to the assistance of those countries that are struggling to solve the basic problems of democracy, thereby performing a two-fold service in enabling them to secure funds at reasonable rates and in freeing them from the complications, national and international, which arise when they are dependent on private sources for such funds.

This higher plane of international co-operation presupposes a closer mutual understanding of national purposes and aims than has existed heretofore. It means that we must utilize every opportunity to develop between the countries of the American continent, and particularly between the people of the United States and the people of Latin America, intellectual currents that will bring about a better understanding of national points of view. We must secure for ourselves a more accurate view of the political life of our Latin American neighbors. There is a deeply rooted belief in the United States that there has been no such thing as orderly constitutional development in Latin America. We seem to accept, almost without question, the idea that the political history of these countries has been a long succession of revolutionary movements, and that there has been no continuity, no real orderly progress in the growth of political institutions. Nothing can be farther from the truth. It is true that there have been uprisings, all too numerous, due to personal political ambitions, but practically all the important revolutionary movements have had as deep a social and economic significance as our own Civil War. Until we recognize this fact not only will the history of these countries remain a closed book, but we shall



continue, as heretofore, to misinterpret their political life and institutions. It is inevitable that in the course of these uprisings much should have occurred which neither we nor they approve, but this ought not to obscure the real significance of these movements.

Whatever may be our judgment with reference to individual men and individual measures, the Argentine Revolution of the early fifties, the Chilean Revolution of 1890, and the Mexican Revolution of 1910 are outward expressions of profound social changes which we must at least understand if we are to be really helpful.

We must not delude ourselves with the thought that the development of closer understanding between the peoples of America is dependent on the development of closer commercial ties. If further demonstration of this fact be sought, it is necessary only to study Great Britain's relations with the countries of South America. For nearly three generations she has occupied a dominant commercial position and yet during that period the cultural ties with Great Britain have not been materially strengthened. Real international understanding and mutual comprehension are not necessary by-products of closer commercial ties. Such understanding may be the outcome of common historical antecedents, of community of language and literature, but if these elements do not exist it is only through conscious planning and conscious effort that the national misconceptions due to ignorance can be destroyed, and the foundations laid for that closer understanding upon which effective international co-operation must rest. In no other section of the world is this concerted action so necessary at the present juncture in the world's affairs as on the American continent. The events now transpiring in Europe have again raised with renewed insistence the question whether democratic government can be carried to a high plane of efficiency in the performance of its administrative functions, and whether under a democratic régime the full force and power of a nation can, in moments of crisis, be organized for the accomplishment of national purposes. To this extent, at all events, democracy is on trial, and one of the most important factors in making this

trial a success is to make the results of any governmental accomplishment in any section of the continent available to all.

It is not sufficient, however, that these close relations exist solely as between the organized governments of the American republics. They must be supplemented and fortified by innumerable currents of thought and action binding together the people individually, as well as the numerous societies and organizations pursuing similar purposes, scientific, civic and social.

In other words, it must be America's ambition to give a new meaning to the term and to the fact of international co-operation. It is an ambition which may well fire the enthusiasm of every patriotic citizen, for the example thus given cannot help but exert a far-reaching influence on international relations throughout the world. "What, then," you will ask, "are the specific means through which this new spirit can be developed?" It would take me far beyond the limits assigned to me in this discussion to attempt an exhaustive analysis. There are, however at the present time open to us three or four avenues of such importance that their immediate utilization is a matter of much moment.

In the first place, opportunity should be given to select groups of teachers of primary and secondary schools in all the countries of the American continent to become acquainted with the social, economic and political conditions throughout the continent. The teaching of history, geography and civics must break its present narrow bounds and become the vehicle through which the rising generation is given a continental point of view. The narrowness of instruction in history and geography in the United States is nothing less than appalling when we stop to consider the growing power and influence of the country.

Second, a well-organized plan should be perfected for furthering the interchange of university students. Long-continued inquiries in the United States have shown that the universities of this country are ready to co-operate in such a plan. We have hardly begun to realize to what an extent university students may become the agents of international co-operation.

Third, the interchange of professors should be made an integral part of the educational organization of our higher institutions. The difficulties of language are gradually being overcome, and we may now confidently look forward to the time when the results of the most advanced research will be made available to every section of the American continent.

Finally, a carefully organized plan should be developed to give to the graduates of technical schools opportunity for practical training and experience in great industrial establishments. Owing to the relatively advanced industrial development of the United States this will mean that at first these opportunities should be furnished to graduates of technical schools in Central and South America who may wish to come to the United States. The results of an inquiry among some of the leading industrial establishments have shown that they are ready to take a certain number of such students and give to them practical contact with the great industrial processes. Men so trained will in the course of time be utilized by these establishments as agents in the countries from which they come.

These are but a few of the many currents of influence that can be set in motion for the purpose of bringing about a mutual understanding of the ideas and ideals that dominate the different peoples of America.

We in the United States stand in special need of this training in true internationalism, because of all the peoples of the American continent, the people of the United States, in spite of their cosmopolitan make-up, give evidence of a surprisingly limited capacity to understand a point of view different from their own. This shortcoming of the public mind is a real national menace. It must be eliminated if we are ever to make our influence felt for higher and better things. Our great difficulty has been that our national mind has not advanced at the same pace as our national influence. A nation may take itself too seriously, but it can never exaggerate the importance and seriousness of its mission. The difficulty in the United States is that we have taken ourselves somewhat too seriously, yet we have failed clearly to visualize the importance of our international mission. In this respect we can learn much from

our sister republics. What President Butler has called the international mind has developed far more rapidly in the other countries of America than in the United States. We must bring our thinking in this respect up to a level with that of our southern neighbors. By so doing we shall forever destroy any misconceptions that may exist with reference to what the United States shall stand for in the development of international relations.

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# THE MONROE DOCTRINE AND THE EVOLUTION OF DEMOCRACY<sup>1</sup>

ALBERT SHAW

Editor, *American Review of Reviews*

THE power and persistence of ideas lie at the base of all historical movements. Policies have a tendency to form themselves around doctrines and theories, and in due time precedents begin to support policies and to reflect credit upon doctrines. The Monroe Doctrine has run some such course, until now the tendency has been to glorify it as well as to accept it. In order that hope may not die within us and that pessimism may not paralyze our power to press forward, we are compelled to believe that the millennium is about to dawn, that the great war of nations will end in the near future, and that in the happiness of a world peace we shall somehow find solutions for all the problems hitherto unsettled. I like to indulge in these rosy, optimistic dreams, although I have observed too much and studied too widely to suppose that in plain reality a great war will have enlightened all understandings, chastened all spirits, and made everybody at once right-minded and true-visioned.

We shall continue to live in a world that is highly unequal in its stages of development. Some parts of the world will be much more unfinished than other parts. The future will have very difficult questions to deal with that are not involved in the present war. Nevertheless, if many great things that we deem righteous and just can be established at the end of this war, the future course of progress and civilization will be rendered accordingly less difficult. We shall have our western-hemisphere problems, but we shall also, I hope, have found improved ways of dealing with them.

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

I should like to say a few words upon the relation of the Monroe Doctrine to a far larger doctrine that had been earlier proclaimed and that persisted in the convictions of some of the men concerned with the Monroe Doctrine's formulation. The political teachers of the eighteenth century, who were the mentors and prophets of the revolutionary period, not only proclaimed their doctrines of the rights of man and of political and social democracy, but they also held firmly to the doctrine of world organization. Europe lost the great vision and entered upon a period of unrestrained nationalism after the collapse of the Holy Alliance. But the American leaders, notably Jefferson, kept alive both parts of the great conception of the revolutionary reformers. That is to say, the authors and defenders of the Declaration of Independence not only stood for democracy, but also believed in the confederation of democratic sovereignties and in the abolition of international conflict.

Thus our American union of states was consciously built upon both parts of the great conception of a reformed political life for the world. The first part was the democratic rule of communities, and the second part was the confederation of sovereign states. In both parts we have made a marvelous success of the practical demonstration. This success was based not merely upon the doctrines themselves, but also very greatly upon wisdom and generosity at moments of crisis. Two great steps stand out among others. Hamilton's leadership in securing the assumption of the revolutionary debts of the states by the confederation as a whole was most admirable in its effects. Still more important was Jefferson's leadership in persuading Virginia to cede her western lands, with the result that the Northwestern Ordinance gave us a series of magnificent states while pointing the way toward creating the group of states south of the Ohio and east of the Mississippi. The conceptions embodied in the Northwestern Ordinance have been projected across the continent. They have given us forty-eight sovereign states, not by any means of equal size and importance, but sufficiently alike in their averages of population and resources to constitute a true and permanent sisterhood of commonwealths.

It was because of the persistence of this great conception of democratic self-government in the particular states with the common interests of them all merged in the higher structure of the confederation, and with a higher machinery of justice to deal with possible misunderstandings between them, that Jefferson could see no necessary limit to the extension of a system thus firmly based upon human equality and universal education. He expressed the opinion repeatedly that a confederation thus formed might expect in due time to comprise the whole of North America and ultimately to include Central and South America.

Canada has, indeed, had a different history thus far from that which both British and American statesmen had anticipated until a very recent period. Yet the course of things in the Dominion of Canada has not, upon the whole, been widely divergent from that which Jefferson and others had predicted. The great northwestern areas have been divided into states, in each of which—as in Manitoba and the rest—there is now to be found a thoroughly modern and strictly democratic government, with all the attributes of autonomy. The Canadian states, from the maritime communities of the east to British Columbia on the west, are united in a confederacy that is quite in harmony with the Jeffersonian conception. So closely akin are the essential principles that control the individual states and the Canadian confederation with the principles that control our individual states and our union, that there is visible an increasing harmony between the two halves of the North American continent. There is practically little more danger that Michigan will quarrel with Ontario, or that Minnesota will quarrel with Manitoba, than that either Michigan or Minnesota will quarrel with Wisconsin. I hope and believe, however, that in case of a quarrel, as over a boundary line, there may in due time be an authoritative tribunal as between Alberta and Montana, so that the diplomatic methods of the past that dealt with the Maine boundary and the Alaska boundary may be superseded by an institution more analogous to our Supreme Court. Suffice it to say that North America has upon the whole worked out fairly well the eighteenth-cen-

tury conception of the democratic autonomy of states and the confederation of neighboring commonwealths extending over continental areas.

Jefferson and the men of his time undoubtedly realized that democratic institutions could not be so easily developed where people were lacking in homogeneity or were made up of races lacking in education and unequal in economic development and position. Yet those statesmen of the revolutionary period had supreme faith in democracy, and they were not so contemptuous of the so-called inferior or backward races.

The Monroe Doctrine was inspired by two things: first, a large vision; and second, an exigency of statesmanship. I shall not, I am sure, be thought to touch upon matters of historical controversy when I ascribe the Monroe Doctrine to Jefferson in so far as the larger vision is concerned. His correspondence with Monroe affords all the evidence that one needs. For the statesmanship of John Quincy Adams I have the most unqualified regard, as also I have for the Pan-Americanism of Henry Clay and those of his school. The independence of Latin America was favored by our political leaders and thinkers in the United States as the great preliminary step.

There were also those in Latin America who cherished the earlier ideals of the French Revolution, and who believed both in democracy and in the federation of states for the preservation of peace. It was plain enough that even with admirable paper constitutions prescribing democracy, it would be a painful task to build up the intelligent and capable body of democratic citizens without which mere paper institutions cannot give freedom or security. But Jefferson, Adams, Monroe and their contemporaries believed that Latin America would have a better future if it were free to go on in its own way creating through arduous experience the reality of a series of democratic republics, than if it were brought back under the yoke of European colonialism by the united military and naval efforts of the emperors of the Holy Alliance and the Spanish crown.

It is true that the nature and the motives of the Monroe Doctrine have been construed in different ways at dif-



ferent times by statesmen in Europe, in South America, and in North America. These different constructions have been due chiefly to practical problems involving the possible application of the doctrine. It can never be rightly or fully understood, however, unless one keeps in mind not only the historical circumstances but the political doctrines and the large visions under which it had its origin.

I repeat, then, that the conception of the American union of self-governing states was in no small measure the outgrowth of that still larger conception of world federation and perpetual peace that German and British thinkers, as well as French and American, were entertaining in the latter part of the eighteenth century. The Monroe Doctrine was intended to save the whole of the western hemisphere for the processes of democracy and interstate organization, for the abolition of war and the promotion of the concerns of the common civilization.

I have never had much respect for that view of the Monroe Doctrine which has made foreigners think of it as a sort of Yankee jingoism. Doubtless at certain times and in certain aspects our own national interests have been involved in the assertion that Europe must not meddle in western-hemisphere affairs. We have desired to keep the western world from becoming militaristic, and in this sense we have helped to make the Monroe Doctrine a success. From the Straits of Magellan to Baffin's Bay and the Northwest Passage, there has been no state or community that has founded itself upon the doctrine of military power as against its neighbors. For a region so relatively undeveloped in natural resources, and so far from maturity in the creation of its bodies politic, South America in recent decades has been singularly free from the din of arms. Brazil, Argentina and Chile have learned to be good neighbors; and there is little evidence anywhere in Latin America of the existence in any country of a party or a leadership that has in mind the securing of a dominant position as among neighbors by the militarizing of national resources on the European model.

It was precisely to prevent the growth of such military policies, and to encourage friendly and helpful inter-relationships among the American democracies, that the men of Monroe's time took their stand against the extension to the western hemisphere of the European system of exploited colonies. The survival of that system in Cuba remained as an awful example and a standing justification of the principles that Monroe and Adams enunciated and that Mr. Canning seems to have supported.

It is necessary, I think, to have this larger vision in mind in order to judge at times of the value of practical applications. It happens that the confederation of our forty-eight sovereign states becomes relatively less a confederacy of sovereigns, and relatively more a national union of subordinate parts, simply because of the great homogeneity of the older American stock and the wide distribution of our newer immigrant elements. But for these facts the states would be relatively more individual and the union would not absorb power quite so easily. I am making this remark because of its relation to the future of entities that have distinct populations. Thus, Porto Rico can derive security and much economic and social progress from her place in our confederation while exercising democratic self-government according to the genius of her own people and with the enjoyment of her own language and customs. Cuba, in turn, can, for purposes of international policy, derive benefit from a limited connection with our confederacy while working out her own destiny as a self-governing people. I am of opinion that the two principles of democracy and confederation may also secure for all of the Central American states, and even for Mexico, some advantages from special or limited partnerships in our confederation, with full freedom of domestic evolution.

As respects the larger nations of South America, the Monroe Doctrine has become for them and us merely a family concern. As against European imperialistic assertions, we may indeed at times have been justified in declaring that ours was the place of leadership in the western hemisphere, and that we would make it our business to see that no small American state should

be treated by any European empire as Serbia was treated in 1914 by the government at Vienna. But, as among ourselves in the western hemisphere, it was not the purpose of the Monroe Doctrine to create or set up a position of overlordship. Much less was it any part of our doctrine that Europe must find her spheres of interest and exploitation in Asia and Africa in order that we might have the western hemisphere as our sphere of commercial or political exploitation. So far as Brazil and the other larger and more stable republics are concerned, the Monroe Doctrine is to be interpreted as one of mutual help and good understanding. We seek increasing friendship with our South American neighbors, and rejoice in their progress and welfare.

It is entirely in accord with the spirit of the Monroe Doctrine that the Pan-American Union has been established, and that various Pan-American conferences have been held from time to time. Our interests in the European struggle were identical with those which we asserted in the period of the Monroe Doctrine. We stand now, as then, for democracy, liberty, non-militarism, and friendly adjustment of all international differences. We have joined in the war against Germany, not to help one set of European powers obtain the advantage over another group of powers for selfish reasons of their own, but because the interests of all the American republics, as of democracies everywhere, were imperiled by the methods which Germany had adopted and by the doctrines and policies that Germany and her allies were supporting with an organized application such as the world had never seen, of science and skill to military ends.

The Monroe Doctrine was a part of that larger message of peace, democracy and universal friendship that the best thinkers of modern times had delivered to Europe and America in the latter part of the eighteenth century. With many blunders, but faithful in the main, North America and South America have gone forward trying to realize in practice those great dreams of democracy and international peace. Over against these high doctrines, announced in the eighteenth century by utilitarian philosophers and Christian moralists alike,

we are now combating the destructive and hideous doctrine of the right to dominate in the affairs of the world by unrestrained force.

The object of the Monroe Doctrine was the peaceful evolution of democracy in the western hemisphere. Our participation in the war against Germany is in strict fulfilment of the aims of the Monroe Doctrine. We are fighting for the rights of democracy and the claims of international peace. Fundamentally, the whole of the western hemisphere, South America no less than North America, had become imperiled by the doctrines and methods of Germany and her allies. The cause of the United States in this war, therefore, is also the cause of Brazil and the other South American republics. We are entitled to the moral support, if not to the physical aid, of all the members of the Pan-American Union. If in this crisis the western hemisphere shall see alike, it will be fortunate indeed for the future relations of the United States with the sister republics of South America and the communities of the mainland and of the islands around the Caribbean.

# THE FUTURE RELATIONS OF THE UNITED STATES WITH LATIN AMERICA FROM THE LATIN AMERICAN VIEWPOINT <sup>1</sup>

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THE term Latin America as applied to the twenty republics of Central and South America and the Caribbean is by no means a happy one, because it tends to obliterate the idea of any distinctive nationality in connection with independent states, and merges them, as it were, into one whole. If we must be known by common appellations, why not call us according to groups following special geographic position, viz., Caribbean republics—meaning Cuba, Haiti and the Dominican Republic; Central America, comprising the five republics of Central America proper and Panama, which geographically belongs there; and South America, which would include the ten republics that occupy the southern continent; leaving Mexico by herself, as she cannot reasonably be placed in any of the above-mentioned groups.

Following such a method, our peoples at least would not be altogether confounded in the common mind in such a way as to make us lose our national distinctiveness, a right which belongs to every citizen of an independent sovereignty and of which he is justly proud, no matter how large or small, powerful or weak his country may be.

Today the world is fighting its greatest war for the freedom of nationalities—I may say for the existence of nationalities—for the rights of peoples who are entitled to govern themselves. Therefore the grouping together of nations, the merging of peoples even when they are ethnically of one race, and even when it is done merely as a means of classifying them, is undesirable. Today it is more than ever necessary that nationality

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

should stand out. We of the Americas have a right to assert our distinctive nationality. We must either be Americans all, or known, each of us, by our separate country's name.

If we accept the generic term Latin America as applied to the twenty republics, the subject-matter that I have been asked to discuss becomes a question of such intricacy that it could not be treated intelligently in the short space of time allotted to me. By reason of geographic conditions certain territories in the world enter more directly than others into what is now known as the sphere of political influence of certain nations or groups of nations; also the relations between neighboring states are always more delicate—because more apt to be disturbed by trifles—than those between states far removed by land or water; and there are today what may be termed prospective strategic positions, mainland or island territories that by reason of their location with respect to certain other points, military or naval, may at any moment become of paramount and decisive importance.

Among the twenty republics that are termed Latin America, some have already been drawn into the sphere of influence of the United States; others have at some time had some question with this country which unfortunately left a scar or at least some soreness; others feel that they are being drawn into your sphere of influence by reason of their proximity to the prospective strategic positions to which I have just alluded; while others that have had no cause whatever of friction with the United States, profess a true and decided friendship for her. It will be seen how difficult if not impossible it would be to put in the same category the relations with this country of Mexico, for example, and those of Brazil or Bolivia.

The future relations of the Americas will have to be determined by past conditions no less than by those of the present day. The entrance of the United States into the world war has uncovered to the American continent new vistas; for this country will take part in the liquidation of the war, and in that final settlement all questions now affecting international relations will have to be threshed out if there is to be any prospect of permanent peace. It is useless for nations to think that

because they have taken no part in the war, or have adhered strictly to the principle of neutrality, they will not be affected by the settlement. At the final liquidation, all pending questions may well be examined and passed upon by the tribunal of nations that will sit in council to solve existing problems and to make improbable, if not impossible, a recurrence of the present world catastrophe.

If this war is going to decide anything at all, it is going to decide upon the future international relationship of nations. It is unthinkable that after this frightful carnage, after this wholesale devastation and destruction of the machinery of the world, the world will simply revert to ante-bellum methods and rebuild itself on the old lines. President Wilson in his recent memorable messages to Congress has declared that he stands for new world ideals; the world has applauded him for giving utterance to those sentiments, and for following them up with acts that do honor to the people he represents. Every nation, great or small, has taken note of those words and applied them to itself, and has construed from them the meanings that best fit its particular case. The entrance of the United States into the conflict has therefore placed a new complexion on world relations. It has brought to them an element that will have decisive influence in all future war councils and the greatest influence at the time of the liquidation of the war.

The future relations of the United States with Latin America will have to be determined by the attitude of the Latin American countries toward the United States and her allies from now on. Whatever differences may have existed or do still exist between Latin American nations and the United States, it is gratifying to attest the unanimity and spontaneity with which the peoples of all Latin American countries have welcomed the entry of the United States on the side of the Allies, and have hailed the declarations of President Wilson, as well as the stand taken by this country against the campaign of submarine frightfulness of the Central Empires. As an ardent friend and admirer of the United States, and a well-wisher of the sacred cause of the Allies, it has been most gratifying to me, enthusiastic Pan-American that I am, to see the immediate and ready

stand of Cuba and Panama, which proves their gratitude to this country; and to observe the attitude of solidarity shown by Bolivia, Paraguay, Guatemala, Honduras, Nicaragua, the Dominican Republic, Haiti, and finally Brazil. Notwithstanding the fact that she holds the largest individual German population in the whole of America outside the United States, and that she is indebted to Germany for much of her material development and progress, Brazil has considered it her duty to revoke her neutrality and align herself on the side of the United States for the cause of justice and democracy. Brazil takes this stand because the United States is an integral part of the American union, and because Brazil's traditional policy is one of complete unity of view with the United States, and because the sympathies of a great majority of her people are with the United States.

Notwithstanding these expressions of sympathy, which are most encouraging to the spirit of solidarity, it must not be forgotten that the American continent, outside the United State, is a little world of its own, with its own problems to solve. Its own international affairs are paramount in its life, and they are a constant menace to its peace. It is to the interest of all that these questions should be finally settled. In this connection I desire to repeat certain passages from a recent address on Pan-American co-operation which I delivered before the University of Cincinnati:

To effect Pan-American co-operation and to bring about a condition that shall be permanent, we of the Americas must be untiring in our efforts toward a Pan-American international understanding. Such an understanding to be of any real value and to serve its purposes, must be of a nature that shall hold good for all nations alike. There must not be any discrimination whatever. It must be honest and true from nation to nation, free from restrictions, reservations, loopholes or exceptions of any kind. It must embrace all nations, the strong and the weak, the advanced and the backward, the rich and the poor, and every one of our nations must be willing to enter freely into the spirit of the thing, without which there cannot be an honest understanding. To bring this about we must first realize that there are signs already indicating clearly that before long questions



of greater importance than any of our present-day controversies will be confronting the American world as a whole; questions of such magnitude in their scope as to dwarf into insignificance all others; questions that of necessity will demand concerted action, if they are to be dealt with in a manner to safeguard the interests of all our peoples. Therefore, as a first step toward this Pan-American international understanding, we should establish the principle of Pan-American conciliation, which implies the eradication of all outstanding differences that may now exist between any of the American nations; the removal of all causes of future friction among them, by settlement of all present-day controversies; and the renouncing of all such policies and actions as are in any way harmful to third interests, and detrimental to a final settlement.

Here and in the Latin American countries men have come forward at times as strong advocates of closer relations, and as champions of the more advanced form of Pan-American solidarity. Such sentiments and ideals are voiced at all the many Pan-American gatherings. Notwithstanding this, conditions throughout the continent still show us that we have not yet reached that stage of international relations where we can justly and truthfully declare our American world free from the controversies and differences that embitter nation against nation, and that carry within them the seed of distrust and the germ of war. On all sides and from every nation in America arises today a cry on behalf of Pan-American solidarity. While in the abstract all desire its realization, the individual nation in too many cases would withhold from the general plan of conciliation one or more specific questions which it considers of vital interest to its own welfare, security, political prestige or influence. Such an attitude is directly in opposition to the very essence of conciliation. From the moment that a nation withholds one of its controversies from the operation of a general plan, it nullifies the effects of the plan and destroys its scope for good. If the nations of America cannot now reach an understanding, it is because some of them do not care to surrender positions that they have acquired and that they have taught themselves to believe are essential to their future welfare, their security, or the political influence that in certain determined sections they consider as rightly belonging to them.

The settlement of these outstanding American controversies is absolutely essential to the future good relations of the United States with Latin America.

Whether we like it or not, the United States in the immediate future will have a greater influence than ever before over the destinies of the rest of the continent. By her entrance into the war on the side of the Allies the United States has unquestionably obtained absolute and explicit recognition of her position as the dominant power in the New World; this step means the implicit recognition of the Monroe Doctrine by all her new allies, and naturally gives to the United States a freer hand than before in dealing with all questions affecting the Americas. Possibly, and not improbably, one outcome of the war will be the turning over to the United States of all the European island possessions in the Caribbean, thus virtually making it a *mare clausum* although, of course, absolutely free to commerce and navigation for the world. Just as the powers that met to arrange the Peace of Westphalia and the Peace of Vienna took upon themselves not only the settlement of the questions that had immediately led to the wars they finally closed, but also of all others that were derived therefrom, or that in the interest of the contracting parties demanded arrangement, so will it occur in the final liquidation of the present world conflict. But as no other war has involved so many nations and so many different races, the settlement of this one will require far greater tact and diplomatic skill, in order not to leave unsettled any question that might give rise to disagreement or bring about friction and thus undo the good work already achieved by the ending of the war.

When that time comes the great powers will be weary of war. They will wish only to get back to the work of reconstructing all that the years of war have destroyed, paralyzed or devastated. It is reasonable to suppose that they will not care to be troubled with the grievances of the smaller states, especially of those who, preferring to abide by their policy of strict neutrality, did not take any part in the war. Not improbably the council of nations sitting at the great peace gathering will look with not too benevolent eyes upon those nations that are still harboring bickerings against one another, or bringing to the council for adjustment controversies which could be settled out of court; nations that through stubbornness or wilfulness fail

to fall into line with the spirit of the time and settle their outstanding affairs in a manner conducive to lasting peace. It is not improbable, in my judgment, that the United States, and those nations that have courageously and spontaneously solidarized themselves with the cause of justice and true democracy will be given a free hand to arrange the outstanding affairs of the Americas in a manner that shall prevent the disturbance of the peace of the continent.

In view of this possibility, and that all who stand for better relations between the Americas should realize that the Latin American mind is very apt to regard American imperialism as a direct menace, and to construe in its own way every action of this country, it is important to know the reason for this, because the average citizen of the United States cannot understand it. A quotation from a noted South American may illustrate the point. Commenting on the growth of Yankee imperialism, as it is termed, he says :

As the United States developed, there came into existence a powerful imperialistic party to whom the subjugation of Latin America became something of primordial necessity, equal in importance with the existence of America, based on the pretext that the Latin countries of the continent had not been faithful to the ideals to which they owed their origin. For such men as Polk, Seward and Roosevelt, all of South America, or at any rate a part thereof, should be annexed to the United States, because the people occupying it are unworthy of an independence the noble aims of which they do not understand.

Commenting on this, he adds :

It is true that many of those people, living in the throes of brutal despotisms, of criminal and hypocritical oligarchies, the victims of silent dictatorships or under opera bouffe leaders, have given motives to those inspirers of Yankee expansionism to assert, not without perfect ground, that Latin America had forgotten the *raison d'être* that had determined the recognition of its independence by the liberal and democratic nations that had tendered to its people a friendly hand at the time of the struggle for freedom against Spain.

Viewing the situation thus, this writer states that with the growth of imperialistic tendencies in the north, South America

became more resentful and guarded toward her northern neighbor, developing in time an anti-American feeling which grew according as the imperialistic tendencies in the north became more apparent. Year by year the breach between the two sections widened and they would have become altogether estranged had not a sudden change come in the attitude of the north. It became aware of the existence in Latin America of peoples more advanced in democracy; this discovery, reacting favorably, gave life to a new sentiment in the United States on behalf of fraternal equality. Anti-American sentiment throughout Latin America is the direct outcome of what is termed by our peoples Yankee imperialism. Reduce the aggressiveness of this, and immediately a friendly sentiment is engendered, because at the root of our relations there is a real and true source of genuine amity.

Let us analyze, then, the acts wherein the United States has given occasion for the Latin republics to raise a hue and cry against Yankee imperialism. If we do this, we must confess in justice and truth that the United States has acted in most instances in response to moral obligation. In most cases it has acted on the appeal of a political party or of the constituted government of the country in whose territory the aggressive act took place. I do not refer here to the Mexican Wars, because in respect to those the verdict of America has already been passed. But let us look at the more recent events in American history with reference to what you call Latin America.

In the first place, look at this country's attitude toward Cuba. I do not believe that there is any other nation in the whole world that would have acted toward Cuba as the United States acted on the occasion of the first and second interventions. I leave the verdict with all Cuban patriots.

Next we have the Panama Canal incident—a most deplorable and unfortunate incident, but one that cannot and should not be imputed altogether to the fault of the United States. Some day, even Colombians will see the truth of this. Today we are still too close to the event to be able to judge with exact and complete fairness—not on the incident as it hap-

pened, but on the effect of the act itself. But even here, the fact that successive administrations, Republican and Democratic, have shown their willingness to come to some sort of settlement on the basis of an indemnity, implies that the nation in a measure is conscious of having inflicted some harm, caused damages, and given cause for resentment. As a citizen of a South American republic with wounds still unhealed, I ask, when has a nation in Latin America that has done material harm to another recognized its mistake, offered to undo the ungracious act, and volunteered to make honorable amends?

I come next to the other Caribbean republics. I can understand that for many of the citizens of the Dominican Republic it must be a great mortification to have American marines in certain sections of their national territory and to have foreign intervention in their country and its affairs; but on the whole there is some good coming out of this, some good that many worthy Dominicans are likewise instrumental in bringing about; and only time can show how beneficial this may be for the country at large. In Haiti more or less similar conditions exist. The fact that both the Dominican Republic and Haiti have expressed their sympathy with the United States in the break with Germany would prove that the experiment, however humiliating to over-sensitive natives, is perhaps sowing the seed for a harvest of future peace in fair lands where unrest through chronic misgovernment has been rampant.

I turn next to Central America. To judge from the conditions in some of these countries and the manner in which they are developing their natural resources and increasing their commerce with the United States because peace is being maintained in their territories, there are indications that soon the need for intervention or for military control in any of them will disappear altogether. They will have learned the lesson that full sovereignty is dependent on honest democratic government carried on for the good of its people.

Where, I ask, is the territory that Yankee imperialism has grabbed from Latin America? Where are the fetters that the United States has placed on the peoples of the nations under her sphere of influence? What is the material damage that

North American intervention in Latin republics has wrought? It is time that these myths with which the Latin American mind has been fed were exploded, and I am glad and proud to be here on this occasion to do this work.

But do not blame Latin Americans as the originators of all these stories. In many instances they have been instigated by foreigners, by persons that have some grudge against Americans generally, or against individual Americans. One of my German colleagues in South America used to go out of his way to carry on a virulent propaganda against the United States and everything American as far back as 1908, and a German minister in Peru tried to poison my mind against this country and its people by advising me that every cent of American capital invested there in Peru would mean, in time, Yankee interference in my country's affairs and the losing of Peruvian independence in financial and commercial matters. Fortunately I had been here before, and so his advices fell on deaf ears; but you can imagine the harm that such a man can accomplish among people whose only knowledge of Americans is not unfrequently derived from dealings with poor specimens, some of whom have left home in a hurry and gone down to our countries in the hope of getting rich quick. This type, I am happy to say, is fast disappearing from South America, though it is still to be found in Central America and the Caribbean region; and it is to this type that this fair and great nation owes much of the bad reputation she has earned in Latin America. If the intelligent and patriotic Central American, South American or Mexican will give himself the trouble to look into the record of the United States as a world power and to compare it with that of any other world power, he will find that no other nation, not even Great Britain, the greatest colonizing power in the world, has accomplished in so short a time so much for the people that it has taken over as the United States has done in the Philippines and in Porto Rico.

The nations of the Americas are daily being brought closer together. It behooves us therefore to sink our differences so as to create a strong bond of mutual understanding and then to stand all together for the common cause of democracy.

## THE MONROE DOCTRINE AFTER THE WAR <sup>1</sup>

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THE President of the United States on January 22, 1917, in the words, "Perhaps I am the only person in high authority amongst all the people of the world who is at liberty to speak and hold nothing back," proposed a Monroe Doctrine for the world. This was in the now celebrated "peace without victory" address to the Senate. The President also said, "I feel confident that I have said what the people of the United States would wish me to say," and later in the same address he asserted, "I fain would believe that I am speaking for the silent mass of mankind everywhere."

As president of the United States, Mr. Wilson's words may unquestionably and properly be regarded in foreign countries as expressing the policy of the United States government. As the head of the government of a state occupying an important place in the world, when many other states are engaged in war, the claim to be speaking for the silent mass of mankind everywhere is not wholly presumption.

It can also certainly be claimed that a president of the United States in 1917 has an equal right with a president of the United States in 1823 to state what American policy is, and if in 1917 the policy of 1823 is reaffirmed, then such policy would be worthy of even greater consideration in international affairs.

President Wilson on January 22, 1917, proposing a concert of powers, government by consent of the governed, freedom of the seas, and limitation of armament, advocated that

the nations should with one accord adopt the doctrine of President Monroe as the doctrine of the world; that no nation should seek to extend its policy over any other nation or people, but that every

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

people should be left free to determine its own policy, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful.

Clearly, then, this recently announced American policy is for the period after the war to enlarge the scope and operation of the Monroe Doctrine. The realization of this fact is evident in foreign opinion. On January 24 Bonar Law, chancellor of the exchequer, in a speech at Bristol, said of the address of President Wilson, "What President Wilson is longing for, we are fighting for." On January 26 it was announced from Petrograd, that Russia "can gladly endorse President Wilson's communication." The part relating to the freedom of the seas found particular response in Russia. From other countries came statements that the ideals of the address were approved, but that the task involved was appalling, considering the present condition of the world.

As the United States has been the supporter of the Monroe Doctrine in the past, it must doubtless be its supporter after the war. It would be reasonable to conclude that the President, speaking on January 22, 1917, was speaking of the probable attitude of the government of the United States toward the doctrine. The principles of the doctrine would therefore be involved in the American ideas for the settlement of world difficulties. The doctrine in its new form would cease to be narrowly American and would have a world basis. If it means merely that each state should be allowed unhampered opportunity for development, such an ideal would meet little formal opposition. If it means that the United States should be recognized as controlling the destinies of the American continent there would doubtless be opposition. Even if expanded into the doctrine of America for Americans or some form of Pan-Americanism there might be question of world-wide approval. The doctrine may therefore be passing even now to a wider field of influence.

It should be said, however, that the United States is no longer sole arbiter as to the interpretation of the Monroe Doctrine, as it once was, because under a large number of



treaties this government has agreed to refer differences even when relating to the Monroe Doctrine to investigation by a commission. Indeed, under these treaties disputes of every nature whatsoever are to be referred to a commission. Such treaties are operative with nearly all the great states except Germany and Japan, and with most of the smaller powers.

Again, it may be said that it is to be presumed that these so-called Bryan treaties were made to be observed. The commissions to be established in accordance with the terms of these treaties are international rather than American. Therefore under the treaties by which the United States is already bound and has been bound since 1913, the Monroe Doctrine, if the subject of a difference with a treaty power, must be referred to an international commission. For the parts of the world now under these treaties the doctrine has had since 1913 something of the aspect which President Wilson's address may be forecasting for an area much larger than the Americas.

Of these treaties there are in fact now ratified twenty or more, and about half as many more have been negotiated. If thus for half the states of the world the Monroe Doctrine may now be subjected to international standards of judgment, its purely national and American character may be said already to have been waived. The next step—the recognition by the world of the general principles underlying the doctrine as likewise sound for world policy—would not now be a long step for the United States.

When the Monroe Doctrine was originally published in Europe it met with approval from liberal statesmen, who hailed it as shedding "joy, exultation, and gratitude over all free men in Europe." The reactionary Metternich maintained that it was a natural calamity following the establishment of free states. Later, Bismarck regarded it as a piece of "international impertinence." At home the propositions of Monroe were received with a degree of proud self-satisfaction. By many it was regarded as giving to the Declaration of Independence a wider scope. Many other interpretations followed, and these were frequently adapted to temporary policies, but the doctrine was always regarded as a choice American contribution toward the well-being of the western continent.

It is now proposed by President Wilson not that no European nation should seek to extend its authority over an American nation but "that no nation should seek to extend its policy over any other nation or people."

The reason for the early acceptance of the Monroe Doctrine was the physical power of the United States and the remoteness geographically of the area to which the doctrine applied. President Cleveland in his message of December 17, 1895, stated that the doctrine "cannot become obsolete while our republic endures" and that it found its basis in "the theory that every nation shall have its rights protected and its just claims enforced." Secretary of State Olney at the same period pointed out to Great Britain that "the people of the United States have vital interest in the cause of popular self-government" and that the British policy was so threatening to American policy and rights that his government could not permit, "if the power of the United States is adequate," the accomplishment of the British ends. There is thus involved, if the Monroe Doctrine is to be maintained, the existence of a power behind it which will ensure respect.

In a sense the Monroe Doctrine aimed in 1823 to make the western hemisphere "safe for democracy." The President's war message of April 2, 1917, said, "The world must be made safe for democracy." In this broad conception the United States may thus be said to be fighting for a Monroe Doctrine for the world.

Experience has shown that the western hemisphere has not been "safe for democracy" at all times and that the United States has had to be ready to use force to maintain the rights of self-governing nations. Accordingly in the same message and elsewhere President Wilson has expressed the conviction that there must be "a partnership of democratic nations" to maintain their institutions. This idea had already received general acceptance among the leading nations of the world and has been more and more generally approved as the war has dragged from weeks into months and from months into years.

President Wilson in his war message to Congress on April 2, 1917, stating that his mind had not changed since January 22, said:

Our object now, as then, is to vindicate the principles of peace and justice in the world as against selfish autocratic power, and to set up amongst the really free and self-governed peoples of the world such a concert of purposes and of action as will henceforth insure the observance of these principles.

Monroe, looking to the political system of central Europe in 1823, had taken a similar position, saying of the attitude of the powers belonging to the so-called Holy Alliance that it was impossible that they "should extend their political system to any portion of either (American) continent without endangering our peace and happiness; nor can any one believe that our southern brethren, if left to themselves, would adopt it of their own accord."

It is evident now that the United States does not desire alone to maintain the principles of such a doctrine as that enunciated by Monroe. The President declared on April 2 that "the great, the generous Russian people have been added in all their native majesty and might to the forces that are fighting for freedom in the world, for justice and for peace. Here is a fit partner for a league of honor."

Certainly some kind of league will be needed if the principles of the Monroe Doctrine are to receive general respect. There is developing a growing opinion favorable to a sanction for international security and peace by co-operation or joint action of some kind. Whether this sanction be furnished by a league to enforce peace or by some other guaranty, it is certain that the world seems weary of the old system under which any ruler might, if he decided it to be for his interest, disturb the peace of the world and subdue weaker peoples. Monroe in 1823 had said of the then weaker states to the south of the United States that this government would view as "a manifestation of an unfriendly disposition toward the United States . . . any interposition for the purpose of oppressing them or controlling in any other manner their destiny." These states were at that time democracies and they were small and weak. The United States placed behind them the considerable power which the nation at that time wielded, and the democratic form of government has prevailed upon the western continent. The

United States by treaty agreement putting the Monroe Doctrine to the test of fair international opinion, has in recent years shown its willingness to justify the doctrine upon its merits.

Now with broader policy the United States proposes that after the war the powers of the world unite to guarantee for the larger area what it has guaranteed for the Americas—that democracy shall have an opportunity to develop without foreign intervention. The acceptance of this idea by the states of the world is not yet certain.

The American argument is not difficult, however. If it is good for the Americas that states and peoples should have complete freedom for self-realization, it is likewise good for the other states of the world. Of this belief the United States and other American states are now giving proof by action. While such a doctrine may imperil thrones, it builds up peoples, and for its extension even hostilities may be justified, as has been officially asserted:

We shall fight for the things we have always carried nearest our hearts—for democracy, for the right of those who submit to an authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free.

The United States cannot under such principles claim isolation as a justification for its policies, but the Monroe Doctrine if it is to survive after the war must rest upon the broader support which its fundamental character merits. It is possible that in its narrower interpretation as applied to the Americas because of their "free and independent condition" the Monroe Doctrine may still be maintained after the war, but it is to be hoped that under the broader scope of the principles of the doctrine, through a concert of the nations life, liberty and the pursuit of happiness may be permanently secure under governments deriving their just powers from the consent of the governed.

## PAN-AMERICANISM AS A WORKING PROGRAM<sup>1</sup>

ALEJANDRO ALVAREZ

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THE entrance of the United States into the European war, the greatest of human cataclysms, gives the war a new aspect in its bearing upon both the belligerent groups. Indeed, the United States does not fight with a view to territorial increase or financial indemnity, nor in order to become an arbiter in European affairs. As President Wilson solemnly declared in his memorable message of April 2, it is the aim of the United States to defend the rights of neutrals and at the same time to serve the general interests of humanity by preventing a country or a group of countries from exercising domination over the world, and by establishing on a new and more solid basis the community of nations. The Allied countries have accepted, without qualification the noble ends proclaimed from the beginning of the war by the American Institute of International Law, a body composed of the most eminent publicists of the continent. The other group of belligerents has clearly manifested its determination to impose German supremacy and domination upon the whole world.

Such being the new aims of the war, the countries that have remained neutral until now, especially those of Latin America, cannot stand by with indifference in the face of a struggle that directly affects both their present interests and their future well-being. For this reason, some of these countries have already entered the war on the side of the Allies; and the others have given at least their moral support, declaring, however, that they will remain neutral so long as their rights be not

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 30, 1917.

violated, and that each one will defend its own rights in the event of violation.

We feel that neither of these two positions meets the actual situation created by the world-wide catastrophe of today. Such neutral countries have, therefore, only a passive neutrality—that is to say a position of non-participation in the war—and not the juridical neutrality which presupposes recognition and respect for rights that are essential to such a neutrality, above all the right of free commerce now so entirely ignored by the belligerents, especially by Germany with her submarine campaign. Consequently, it has become to the interest of these countries to agree on collective and solidary action in preventing or checking the violation of the rights of any one of the states of this continent, for the purpose of commanding respect for their rights and safeguarding their independence—which would be gravely threatened should Germany triumph in this war. Such collective action would, furthermore, be in accordance with our historical traditions.

In fact, a century ago the nations of Latin America struggled, as the United States before them had struggled, not only for their independence but for a new organization of national and of international life. Following the example of the United States, they established the state on the basis of a liberal, republican and democratic constitution, something then unknown in the Old World. They proclaimed from an international point of view (again in accordance with the United States) their acquired right to independence, thus forbidding Europe not only to rule over them, but even to intervene as she does with European nations. This is the Monroe Doctrine as proclaimed in 1823, which, in consequence, is not simply a policy of the United States, as is ordinarily believed, but a principle of American international law, since it was proclaimed by all the states of the New World.

The relations of the United States with Latin America, cordial as they were up to that period, relaxed with time, until even some degree of distrust was felt toward the imperialistic policy later developed by the United States, and unfortunately under the name of the Monroe Doctrine. How-

ever, from the beginning of the last quarter of the nineteenth century, the relations of Latin Americans among themselves and with the United States have assumed a new aspect that is characterized by the harmony of the interests they have endeavored to cultivate. This is Pan-Americanism in its varied phases—political, economic, juridical and scientific.

In the present epoch we believe that all of the states of Latin America and the United States of America should be in accord on the following points, which embrace all the problems of the present and future international situation; such an understanding would be new and perhaps greater than any other manifestation of Pan-Americanism.

(1) Why has not Japan, with her powerful army, entered the war, especially when through it she has already reaped important material advantages and is permitted to exercise certain supremacy in the Asiatic continent? If the nations of America should take part in this great world war which is tending to check Germany in her onward rush for world domination, their safety requires that they shall not exhaust themselves to the point of falling under the menace of another domination. With all the belligerents exhausted in the war, the result will be that Japan, using her powerful army, can enforce her will in the future, or at least impose the conditions of peace as well as enforce her will, in any conflict that may arise wherein she may be concerned. With this in mind, therefore, the states of our hemisphere ask for securities, that is to say, for Japan's effective engagement in the war, with all resources.

(2) What will be the basis of the future international organization after the victory? A new organization of the state would be needed from the outset, an organization based on nationality and democracy; a strong organization, thanks to a strength of state henceforth triumphant over an individualism that has had its day; but an organization without despotism, thanks to the rejection, by democracy, of a long-condemned absolutism. Then a new organization of international society, founded, not as it has been up to the present time in Europe, on political equilibrium, on alliances and armed

peace, nor on utopian schemes of universal federation in a league to enforce peace, because this league would be in reality similar to the European directorate or to the Holy Alliance established in Europe after the Napoleonic Wars, the result of which was the abusive intervention of the great powers in both the internal and the foreign affairs of the small states; but an organization based upon institutions which by the very act of avoiding the hegemony of one state over others would likewise avoid their rivalry, especially economic rivalry, and bind their common interests more closely together. These institutions should, as far as possible, have their efficiency demonstrated by experience, especially in America where the society of nations has rested upon more stable foundations. Experience also suggests the expediency of bringing into closer relation the various unions now existing (e.g. postal, telegraph); the creation of a commercial and economic union for the purpose of harmonizing the economic interests of the different countries; the improvement of the mechanism of the Hague conferences; the organization of a permanent court of arbitration; the creation in Europe and in America of a continental union in which all the states of each continent might discuss their common interests, as well as the controversies of a political nature existing between them and not susceptible of judicial solution, but without imposing their solution thereof. It would be the greatest insult to present-day civilization to believe that it is not capable of discovering any other means of solving international difficulties than the savage means of war.

The society of the nations, nevertheless, will not be truly organized until the excessive individualism of the entities which constitute it be corrected. Its present basis, in fact, is formed by countries entirely independent and sovereign without any juridical tie among them and without any regard to general interest; this cannot give a real international organization as there would be no national organization in a country which would be composed only of isolated individuals without association among them. It is then necessary to obviate that trouble; this may be done by having the countries which have



more affinity among themselves unite in partial confederations or in other similar political entities, which at the same time would be in contact with each other. The basis of the international society would thus be not the isolated countries, but the groups formed by them all. Although they are part of political entities, the countries constituting this entity do not lose their independence and sovereignty, but these notions of independence and sovereignty will be modified, as in civil society the notion of individual independence is modified in favor of collective interest.

The American Institute of International Law, since the beginning of the war, has been studying the question of the future organization of the community of nations as well as the question of a new basis of international law, particularly a more effective observance of its rules.

(3) The meeting—either in Washington or in some other American capital—of a conference in which the solidarity of the several nations might be solemnly proclaimed, with a view to securing the freedom of the seas and to putting an end to attacks made by belligerents upon neutral commerce, chiefly when committed in American waters. An offense perpetrated against any one of these states would be an offense against all of them; the action deemed most adequate would be adopted, and might be anything from severing relations to making reprisals or even declaring war. Notification of the measures agreed upon could be immediately transmitted to the belligerent governments. In the conference above suggested, the American nations could likewise arbitrate thenceforth as to the necessary means of preparing their future economic, political, national and international life in such a way as to have perfect harmony among them all at the end of the war. Not only the American countries that have declared their neutrality, but also those that have become belligerents, should participate in this conference, because it is not a question of maintaining the rights of neutrality in conformity with the rules of international law, which are impossible at the present moment to follow. What the American countries should strive to obtain, at all costs, is respect for their rights even to the

point of using force, if need be, to repel aggression, regardless of the fact that some of those that subscribe to the measures adopted with that end in view may be belligerents.

If the nations of our continent should adopt this or another similar attitude, all the world would find itself virtually in a state of war; and in such an event the excess of the calamity would bring its own benefit. The world being divided into two great rival camps, it would be possible to arrive at a solution which would be the beginning of a new era for the future: the reduction of armaments—the immediate cause of so much destruction—and the initiation of the reconstruction of the community of nations upon more stable bases, upon foundations which are at present Pan-American, as we have indicated, but which would be of a universal character in the future.

In our continent, Pan-Americanism must seek new courses which correspond to the future necessities of our hemisphere and which may be, at the same time, successfully carried out.

Under the international point of view, two confederations at least, should be formed: one that would embrace the five states of Central America, which has already existed more than once in the course of the nineteenth century; and the Antillean confederation, which would embrace the countries situated in the Caribbean Sea, and whose center would be Cuba. These confederations will be desirable in that they will give prestige and security to each country, and at the same time will aid in strengthening relations with the United States, and the rest of Latin America. The nations in each confederation will maintain their political independence, but dealings affecting all will be carried on with the outside world by the confederations.

From an economic viewpoint, it is essential that all the states of our hemisphere maintain a commercial bond that would grow stronger every day. When foreign merchants, however, are able to deal with the people through the confederation, and with the knowledge that the confederation is reliable, the financial and economic progress of the countries will go on and the entire Pan-American idea will be aided.

It would be wise, also, from a political point of view, to modify the Pan-American Union, so that it could attend in due form to the general interests of the continent.

Intellectually, the realization of the scheme is desirable in that it will forward the proposition of the Pan-American University Union, which was adopted at the Second Pan-American Congress. The purpose of this union is to co-ordinate the effort and investigation of all of the universities of the continent, to facilitate the solution of the great problems which will face the world at the conclusion of the war. It also will aid the development of the American Institute of International Law and kindred organizations.

With this course of Pan-Americanism our continent would in reality be one of peace and progress that would play an ever more important rôle in the universal society of nations.

## THE RELATION OF GOVERNMENT TO PROPERTY AND ENTERPRISE IN THE AMERICAS <sup>1</sup>

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THE effect of investments and concessions upon foreign relations is involved in the relations and attitudes assumed by governments toward the processes of production and exchange carried on by individuals and associations, within and without the jurisdiction of the governments. The attitude of this government toward property and business within its own jurisdiction has always been reflected in its attitude toward the trade and investments carried on by its own citizens in Latin America. The question of what the foreign policy of the United States should be rests upon the question of the relation in both Latin and Anglo-American communities between the respective governments and the business carried on in both communities by the citizens of both.

Because this conference is dealing primarily with questions of international interest, and has designated this topic in relation to international economy, it is convenient to approach the subject by considering first the general attitude of the government of the United States toward property and enterprise in Latin America. The relation of this government to these things in the United States, and the relations of the Latin American governments toward property and business in Latin America may then be appropriately introduced.

It is pertinent to review the ideas of our North American statesmen regarding the first of these considerations. In 1826, when the question was under discussion in the Senate of the United States, upon the occasion of the proposed congress of the American states at Panama, the chairman of the Senate committee reported in this connection as follows:

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at the Chamber of Commerce, New York, June 1, 1917.

The Committee on Foreign Affairs has . . . been led to inquire what the principle of our diplomatic intercourse with other governments has been. The answer is that it has ever been the policy of the United States to maintain diplomatic relations with those powers and those only with which we have important political and commercial relations.

Referring to the proposed congress at Panama, he continued:

Questions involving our most important political and commercial interests are to be discussed. Though the new republics there represented are so many separate governments . . . they form one whole family in language, religion, law, history and present political alliance. From this family, as far as the enumerated circumstances go, we are necessarily excluded. Out of this exclusion springs an entire class of political and commercial relations between us on the one side, and a large family of new republics on the other.<sup>1</sup>

In this declaration of the chairman of the Committee on Foreign Affairs at the beginning of the history of our relations with the Latin American republics there is clear recognition of the natural and inescapable interest of the government of the United States in property and enterprise within the jurisdiction of the Latin American states, and of business carried on between the peoples of the two communities. It is there frankly recognized that unless we have or can acquire important commercial benefits thereby, relations with a foreign power are not special concerns of the national policy makers. It is as frankly admitted that the Latin American republics form a separate family from which the United States is necessarily excluded by reason of fundamental and deep-seated differences in law, language, and ecclesiastical and secular institutions. It is also, however, recognized that in spite of this, commercial relations between the two communities promise to be of sufficient importance to warrant the concern of statesmen.

The essential facts and considerations recognized by the Senate in 1826 have remained true down to the present time, and have been as fully recognized by our leading statesmen of all epochs. In fact the frankness with which our publicists

<sup>1</sup> Document 426, Amer. State Papers, vol. 5, p. 900.

have stated these facts has at times offended the people of both our own and the Latin republics. At the time of the congress at Panama, when our diplomats were arranging commercial treaties with Latin America, the statesmen of these countries were at pains to assert that because the United States held in theory political principles similar to those of Latin America and because the former community had even lent material assistance to the latter in their political struggles, it did not follow that the former should therefore have any special commercial privileges.

As a matter of fact representatives of the United States did not take part in the Congress of Panama. The concession of lands in Texas to Moses Austin led ultimately to the seizure by the United States of one half the total possessions of the Mexican republic. This country also supported Great Britain as against Argentina in the contest for title to the Falklands. The attempt of the American, William Walker, to seize a part of Central America, forcibly called the attention of the Isthmian states to the possibly dangerous political consequences of the enterprising Yankee spirit. President Buchanan proposed the assumption by the United States of a temporary protectorate over part of Mexico. Mr. John Bassett Moore has inferred from the history of this epoch that had not the Civil War intervened our country would have carried out the policy suggested by Mr. Buchanan. It is also probable, however, that the apparent worthlessness of a large part of northern Mexico may have had some influence in retarding the interest of the United States. Political estrangement between the Latin and Anglo-American communities was in any case probably at its height about 1860. Since then, sympathetic relations have tended to increase, but are still far from being firmly established.

If this is true, however, there has been no change in our statesmen's criteria of judgment regarding the foundations of foreign policy. Mr. Blaine, in an article published in the *Chicago Weekly Magazine* in 1882, said:

The foreign policy of the Garfield administration had two principal

objects in view: First, to bring about peace and prevent future wars in North and South America; second, to cultivate such friendly commercial relations with all American countries as would lead to a large increase in the export trade of the United States.

Again, in his address of welcome to the delegates to the International Conference held in 1889, Mr. Blaine said:

We meet in a firm belief that the nations of America ought to be and can be more helpful each to the other than they now are, and that each will find advantage and profit from an enlarged intercourse with the others. . . . It will be the greatest gain when the personal and commercial relations of the American States South and North, shall be developed and so regulated that each shall require the highest possible advantage from the enlightened and enlarged intercourse of all.<sup>1</sup>

Mr. Knox, in using the phrase "dollar diplomacy" as characterizing the aims of our foreign policy, apparently offended many, but he said nothing more or less than had been said and thought by our leading statesmen for two generations.

In one of Mr. Root's statements upon this subject, we find a most succinct summing-up of the logical and natural aims of the United States in its relations to Latin America, and of the traditional methods by which the United States expresses its attitude toward property and enterprise:

Governments may hold doors open all over the world, but if there is no one to go through them, it is an empty form, and people get tired of holding doors open as an empty form. The claims of a government to consideration soon come to be regarded as pretentious, unless there are really substantial interests behind the claims. No government . . . can make commerce to go through open doors, to avail itself of fair and equal treatment, and to give substance and reality to the theoretical increase of amity and friendship between nations. The people of the country must do it themselves, and they must do it by individual enterprise.

It would be difficult to find in so few words so complete a

<sup>1</sup> International American Conference, Reports of Committees and Discussions, vol. 1, pp. 39-42.

summing-up of our aims and relations, past and present, with Latin America. We have sought friendship, acknowledging that our motive was commerce. If we have not wholly failed as regards friendship, we have not made an astonishing success. Is the reason to be sought in the unlikenesses of culture, in the difficulties of the Latin American terrain, in the relation of Latin American governments to property and enterprise, in the relation of the United States toward property and enterprise, or in some other cause more remote or intangible?

The unlikeness in language and institutions recognized as determined and essential by the chairman of the Senate committee in 1826, the difficulties of the terrain recognized by many who have sought to establish large enterprises in Latin America, and the relations of government to property and business, reveal a suggestive interrelationship in the modes by which the Latin American states have sought to stimulate the production of wealth within their boundaries. In order to foster individual enterprise and to increase the revenues of the state, European rulers, before colonial times, created a legal institution, the concession. This word concession, by contrast with words employed in the United States to denote institutions of the same nature and objects, measures the divergence in the attitude of government toward business and property arrived at in the two communities through different sequences of policy and economic experience since the time when business and property began to take on their modern meaning as functions of production and exchange.

It is generally considered that a concession is a peculiarly Latin American institution. The word concession has no particular place in legal terminology in the United States or England. We may however employ the term concession in a generic sense as a grant by a state or government, conferring permission to engage in an enterprise which could not be undertaken without such permission. The term is so employed in Europe generally as well as in Latin America. In such a sense, therefore, the term concession includes a license to practise a profession or to keep a shop, a charter of incorporation, and other privileges. The fact that the term is not employed



in this country does not mean that the thing does not exist, but rather that the government's customary attitude toward it is different. All permissions or privileges granted by the state are the prerogatives of the state, but in Anglo-Saxon communities these prerogatives are concealed in the words "licenses" and "franchises," suggesting freedom from a previous bondage, the gratification of a natural right, rather than the enjoyment of a favor bestowed. The spirit of laws and institutions in these communities tends to reject the idea of a favor or concession underlying the exercise of the enterprising faculty.

It will be recalled however that up until the Statute of Monopolies most of the business of England was conducted under a policy which emphasized the idea of a favor in the bestowal of the right to own property and engage in enterprise. Concessions were granted to few, if possible to selected persons. They were exclusive. Those which could be demanded or expected by any one upon proof of specified qualification are of relatively modern growth. In both England and the United States franchises are exclusive because they refer to the use of things and utilities which cannot be subdivided in ownership except through the device of shares of stock.

The repudiation of excessive and minute interference of the state in private property and enterprise did not take place effectively in Latin America until two hundred years after it had occurred in England. But in the former communities neither the administrative institutions and laws nor the industrial habits of the population permitted an abandonment of the centralized paternalism repudiated in the Declaration of Independence and our constitutional bills of rights. In most of the Latin American countries eighty-five per cent of the population was necessarily excluded from social and political equality with the remainder. Latin America had contributed a great deal to the movable funds of the world, but had retained little of these funds. Its wealth lay in mines difficult of access, lands impoverished by centuries of crude agriculture, acres of raw land requiring to be drained, irrigated or deforested. These conditions continue over the greater part of the Latin American territory today. Romance and more or

less interested propaganda have dwelt more upon the lands, forests and mineral deposits than upon the difficulties in the way of their development. Those who have understood conditions and who have held the balance of capital available for Latin American development have generally known how to bargain their funds against prerogatives offered by the government. Even so, New York and London are full of memories of unfortunate Latin American enterprises.

The Latin American statesmen could not have achieved any other method of economic development at the beginning of Latin American independence, than the method involved in the granting of the state's prerogatives to private individuals and corporations. The same is true today. Latin American governments must borrow funds for public improvements from bankers of foreign citizenship, and must grant greater concessions in proportion as their resources are difficult of exploitation and their political life is unstable. There has been no escape from the concession habit, except through government ownership and operation of national resources and utilities. Government ownership and operation, however, continue to be opposed to the spirit and traditions of American commonwealths.

The habit of concessions having been, therefore, inescapable, how about the relation between concessionaire and government in Latin America? This relation, already suggested in the word concession itself, is still further determined by administrative law and custom.

For years before the establishment of republicanism in Latin America, government by parliament had ceased to exist in Spain or the Spanish possessions. In place of the cortes, the Consejo de Estado, and from time to time other consejos, such as the Consejo de Indias, performed legislative as well as judicial and executive functions under the guidance of the king. The consejo has remained a part of the administrative machinery of Latin American states down to the present time. Its members are usually composed of heads of bureaus and representatives of the professional and propertied classes appointed by the president and his ministers. Their functions are to advise

the minister in matters of dispute arising out of concessions and other matters. Generally speaking, however, their advice may be accepted or rejected at the pleasure of the president or his ministers. The *consejo* remains, as it was under Spanish rule, largely under the control of the executive, and a means of beclouding executive responsibility. The executive has found it necessary or convenient to formulate his own policies without waiting for the slow and contentious processes of legislatures, and he has found the *consejo* a convenient means to this end. Generally speaking, judicial and legislative functions relating to concessions are held in the hands of ministers assisted by *consejos*. Matters which concern public policy in the use of the state's prerogatives and resources, and which would in the United States ordinarily be reviewed in the courts, are thus often settled by ministerial decree. The social or anti-social result of a law may thus come to depend upon the bureaucratic attitude, which in turn may reflect the particular attitude of the executive. Finally, when cases are brought in the common courts, precedent plays a smaller part in the decision than in Anglo-Saxon countries. The fact that a certain type of case has been decided a certain way in several instances does not make legal counsel so certain as it would in the United States.

Enterprise therefore is made timid by the possible interruption of its development in several ways; first, through the adverse report of a semi-judicial body or council of advisers reporting to the minister of public works or internal affairs; second, by decree of the minister or executive; third, by uncertainty in forecasting the interpretation of the law. It should of course be borne in mind that these remarks are general, in so far as they refer to Latin American countries since the inception of republican government there; they do not apply with equal force to Argentina and to Mexico and Peru. Yet they have applied in full force to all the Spanish American countries during important periods of their independent history, and they indicate still the general attitude of government toward property and enterprise. Administrative institutions give the balance of power in Latin America to the

executive rather than to the legislature or the judiciary. This explains why an executive may suspend or obstruct with greater facility than in the United States, and that too without violating any constitutional principle or institutional custom, grants made by his predecessor.

The contrast which this situation presents to the attitude of government toward property and business in the United States is further emphasized by recalling that in the separation of powers in this country, the balance resides in the judiciary rather than in the executive or legislative branches. We may say that it resides in the judiciary and legislative rather than in the executive. In any event, it does not reside in the executive to the extent that it does in Latin America. The rights of a concessionaire are interpreted at once by the court, and not by any ministerial decree that can be sustained without regard to judicial precedent. That is, at least, the sentiment and constant aim of all those who take part, either by vote or by the exercise of public functions, in the government.

However, the Anglo-Saxon idea that property and enterprise should be protected at any cost has sometimes led to a condition in which property threatened to become superior to government. In holding fast to the state's prerogatives, in granting them sparingly, and in jealously watching their use, Latin American governments are probably not blind to the dangers of a policy of excessive economic liberalism. To strike the happy mean is their problem as it is ours, and we shall probably go as far toward adopting their attitude as they will come in meeting ours.

The contrast which I have attempted to sketch goes some way to explain why we do not make faster progress in understanding Latin America. We have said that we want their friendship for commercial reasons. That is a fact, and that is why all industrial nations want it. We are a great industrial nation. We must produce our goods with increasing rapidity to obtain low cost of production. We must sell them in the largest possible number of markets in order that none of them may be glutted. The ability of the Latin American to purchase our goods does not depend alone upon our ability

to compete with other merchants offering him goods. It depends primarily upon his ability to produce something to exchange for our goods. This ability to produce depends upon his ability to utilize capital, for which he must offer concessions. Our tendency to regard grants of the state's prerogatives as giving to the grantee rights superior to those of the community, may not always have promised an issue between the people of Latin America and the concessionaire, but it always has invited an issue between the governments of Latin America and the concessionaire.

It does not therefore indicate any unreasonable, eccentric or peculiarly cultural or racial qualities if Latin America reads more than disinterestedness in the various doctrines and policies of the United States concerning America. Suspicion in this respect has not needed to rest upon acts of conquest, although there have been such acts. It has sufficed that in the United States as in Europe there is every element of a producing and trading process which is determined in ways adverse to states that are economically weak, and that in this country vested interests are habitually protected to an extent which would make them dangerous if lodged in weaker states.

Is there then any hope that property and enterprise may develop in Latin America with the participation of the Anglo-American, and without anti-social developments or international complications? It is certainly in the economic interest of both communities to recognize essential differences while striving to achieve common aims. It does not at present appear to the interest of the business man in the United States to invest largely in Latin American property. It is in his ultimate interest to do so in the sense that it is in his country's interest to do so. "The claims of a government to consideration soon come to be regarded as pretentious, unless there are really substantial interests behind the claims." If this be true, and if private capital of the United States cannot be induced to invest in Latin American enterprises, can the government of the United States take any action that will facilitate directly the transfer of capital to Latin American enterprises? This question had already been considered by the United

States government before the present international crisis. It is, however, opposed to the traditions of policy and enterprise in all American communities, and would probably not be supported by public opinion, at least in Latin America.

The friendship of Latin America for the United States therefore continues to rest largely on the conduct of citizens of the latter country who trade and invest in the former, on the attitude of Latin American governments toward these traders and investors, and on the personal relations formed through business interests between the men and women of North and South America. The different traditions of the two communities, the fundamental difference of language, the intensely economic and aggressive type of man which North American conditions have produced, the ease with which economic geography has permitted the success of his enterprise — these things do not of themselves make the citizen of the United States the best fitted of all commercial nationalities to court Latin American friendship through commercial channels.

This is however, the only way in which friendship can be established or maintained. Friendship is a personal relation. In the process of its establishment the business man of the United States must share with the Latin American governments and peoples themselves the responsibilities for present and future events arising out of our efforts to establish commercial advantage. The game of commerce is played between individuals. It will not be fairly played in the dark and under auspices of secret diplomacy. Neither the seeker after commercial advantage nor the bureaucrat of North or South America can carry on his activities with benefit to himself and to the community in the long run without the guidance of public opinion. One of the most effective and far-reaching instruments of public opinion is a free press. The press is, no doubt, far from what it should be, but if we are to have a just relation between government and business in America we must have a press informed upon American questions. The relation of government to property and enterprise in the United States has been adjusted by public opinion expressed in the newspapers as much as by any of the powers or institutions of

government. We have said that the balance of power in the government of the United States resides in the Supreme Court; but every step forward in the adjustment of the relations of government and business exercised by that court has originated and been sustained in public opinion rather than in the court itself. The adjustment of such relations will take place in America through the action of a public opinion informed of the facts of industry and enterprise in America through a press which makes a knowledge of these facts common to all American communities.

## PAN-AMERICANISM

### DISCUSSION <sup>1</sup>

MR. PETER H. GOLDSMITH, Director, Pan-American Division, American Association for International Conciliation: I should like very much to have this audience in a hall without any doors, but with plenty of windows and with chairs none too comfortable, for two hours, in order to pour upon you some of the things I have to say upon this subject. I must try, however, to say them in ten minutes.

Two prerequisites are demanded for whatever people do together. Always and everywhere intellectual and social co-operation must be preceded by good will and acquaintanceship. When good will is lacking between individuals or nations, no kind of co-operation is possible. When it is present, every obstacle in the way of a good understanding and a profitable interaction can be overcome.

Events attest the existence among ourselves of good will toward the peoples of America. Those who have had opportunity for personal observation in the other countries, and those who have penetrated the thought of their citizens by reading, know that this good will is not a peculiar possession of our own, but that in each of the republics a commanding group of serious and patriotic thinkers shares these kindly feelings. The first prerequisite then exists.

Yet mere good will, although essential, and the only possible basis of friendly international action, does not bring people together in intelligent co-operation. We have dallied for a perilously long period in the nebulous and unproductive regions of sentiment and oratory. In our international conferences we have voiced amiable feelings toward one another in well-chosen phrases; but it is generally admitted that our kind intentions have not assumed a practical form. However, the fact that a gathering of the present serious character, composed of busy men of affairs, is being held for the purposes for which this one has assembled, is evidence that we are now determined to express our good will by means of effective co-operation.

Granted then the good will, both on our part and on the part of similar groups in the other countries, and a rational resolve to em-

<sup>1</sup> At the afternoon session, May 31.



body it in practical helpfulness, what is the first step that remains to be taken? It is this: men of light and leading throughout America must become acquainted, for intellectual acquaintance naturally and necessarily precedes intellectual and social co-operation.

Partners in business cannot co-operate successfully unless they have at least a fair knowledge of each other's mental, moral and physical characteristics. In the effort to know each other, history enters into consideration. Partners begin to judge each other upon the basis of the past. Each is concerned with the other's business career, his preparation, and his known reaction to a variety of circumstances. From a knowledge of the past they proceed to the scrutiny of the present. From the past they extract information as to each other's reputation; from intercourse they gather knowledge of each other's character.

This reciprocal knowledge can hardly exist without a means of communication. It is generally conceived that partners ought to understand each other's language. The terms they employ in their contracts between themselves and jointly with others must be clear and unequivocal, and they must comprehend each other in the planning and management of their affairs, if they would co-operate effectively, and avoid disagreement and disaster.

If this be true of partners in business, that is, in a relation in which men meet upon a single plane only and for a sole purpose, how much more is it true of individuals and of states in the manifold relations of commerce, politics, society, intellect and morals?

The nations of America may be conceived of as partners united, unconsciously, or consciously and voluntarily, in the vast and interesting adventure of creating a comfortable and beautiful world in which to develop a free, happy and peaceful humanity. Accident or destiny has linked them together, to a relative degree, by their geographical proximity, and to an absolute degree by their experience, the exigencies of their previous isolation in America, their present dependence upon one another, and the similarity of their political organization and national ideals. The welfare of this hemisphere, if not indeed of all men everywhere, through the long future, depends in a very vital manner upon what the nations of America shall think and do in these momentous hours.

Nevertheless, the intellectual leaders of the American republics are but ill prepared to meet the demands of the present situation. With good will and an honest desire to co-operate, they do not know how, because they are not acquainted with one another. They are

kept apart by the barriers of language, distance, infrequent and unsatisfactory postal and telegraphic communication and passenger transportation, and they tenaciously hold erroneous ideas regarding one another. It must, therefore, be admitted that the situation is difficult. However, we of America are ingenious, and when in earnest, we persevere until we accomplish our purpose. We shall yet devise a way. Nevertheless, there opens a wide chasm between latent good will, of which there seems to be no dearth, on the one hand, and effective national co-operation between those who, by right of broad and elevated thought and kindly and patriotic motives, ought to dominate the councils of the nations, on the other.

How, then, in view of the hindering obstacles, may we become acquainted? This problem could be readily solved if we had a common language and were nearer to one another. If all the Americans spoke one language, say English, Spanish, Portuguese or French, the chief difficulty would never have existed. We should all have known each other at least as well as the people of the United States and England now know each other in spite of being separated by an ocean and the memory of two sanguinary wars.

Even lacking a common vehicle of communication, we could know each other as well as the people of the United States know those of France, if we of the north had a little Spanish or Portuguese, and our southern neighbors had a smattering of English, and we exchanged visits with each other as frequently and extensively as we ourselves are wont to visit France in normal times. However, we neither have a common language, nor have we of America been given to traveling from north to south and from south to north across the equator.

It is true, we have held international congresses during these latter years, and all Americans may congratulate themselves upon the degree of success which has attended such conferences, at least as a means of making us acquainted with one another. Yet international conventions do not establish acquaintanceship between entire peoples. Only exceptional persons attend these gatherings, and of these but a few have sufficient command of the two principal languages employed in our inter-American congresses to enable them either to understand the proceedings or to acquire that knowledge of the institutions and the social and intellectual life of the countries where the congresses take place which is of more importance even than mere attendance upon public meetings. Congresses at best are necessarily superficial; they bring together but small groups, and they

partake too much of the nature of pageantry and parade to afford opportunity for that tranquil and extended interpenetration of spirit which is essential to intellectual comprehension and social intimacy. Knowledge of history, of the road by which peoples have reached their present state, of national heroes, ideals and aspirations, of literature, art, the progress of the sciences, the degree and methods of education, of even so humble and commonplace a subject as geography—in fine, the establishment of a community of ideas on the part of the various groups of international well-wishers—is what is needed before there can be any co-operation between peoples.

There is no short cut to acquaintanceship, however. International relations, like individual relations, to be real and enduring must be natural and not artificial, must be matured by growth, and not made to order by fiat or legislation. Whatever is the result of growth is slow. The nervous titillations of international rallies, however agreeable and spectacular, do not take the place of serious study, travel, correspondence, and earnest and extended thought.

The business of getting acquainted with our kind of people in other countries is no trifle. We have lost time. Our southern friends are better prepared than we are. Our preachment regarding international ignorance must therefore be addressed in the main to ourselves. We know Europe, Asia and Egyptian Africa. Europe we have known throughout our brief history because we originated there; southwestern Asia and Egypt we learned about after a fashion in childhood as a feature of our training, since our religion came from there; and of the Far East we have known somewhat since the days when Salem shipmasters returned from China, Japan, India and the eastern islands laden with rich wares and stores of curious knowledge; but up to two decades ago we were densely and inexcusably ignorant regarding the peoples of our own America. Even now we who are interested in international questions and have achieved a somewhat broader outlook should probably be surprised to learn how limited is the knowledge of the mass of our people in this respect.

Our American neighbors have a clearer and more ample knowledge of us than we have of them. It is only natural that they should have, since we are the shining mark, being larger, richer, more impressive, and, in a manner, pioneers in independent government. The cottage knows more of the palace than the palace of the cottage. Admitting this, our past indifference to the intellectual wealth that lies toward and beyond the equator is something inexplicable, even when we make due allowance for our necessary preoccupation in the material tasks that absorbed our energies in the past.

Perhaps the burden of blame rests upon the directors of instruction, who have almost totally failed to turn the attention of the young southward in their studies. It is not difficult to believe that our young people would have found as much interest and instruction in stories about Pizarro, Almagro, Valdivia, Afonso de Mendoza, Cortés, among the conquerors and settlers, and Miranda, Bolívar, San Martín, Sucre, Bermúdez, Páez, Hidalgo, Guerrero, Morelos, Sarmiento, Alberdi, Artigas, and even López, among the military and political leaders of the later days, as they have in those regarding the great figures of Europe and Asia.

It does not speak well for our North American international consciousness that those who lay so much stress upon Concord, Lexington, Bunker Hill, Valley Forge, Saratoga, Charleston and Yorktown, should not be able to call the name of a single South American battlefield made sacred by the blood of heroes shed in the struggle for independence. We can hardly take pride in the fact that the name of the person who was probably the greatest literary woman of America, the Mexican Sor Juana Inés de la Cruz, is not known to any considerable number of even our people of culture.

To our fellow Americans of the southern countries, the names of Poe, Whitman, Longfellow, Emerson, Mark Twain, Cooper, Irving, Bret Harte, Edison and Carrel, are as familiar as those of the equally great Ercilla, Ruiz de Alarcón, Bello, Heredia, Avellaneda, Echeverría, Acuña de Figueroa, Ricardo Palma, Rubén Darío, Oswaldo Cruz, Ameghino and José Toribio Medina. In respect of international knowledge, our neighbors have outdistanced us; for they not only know Europe as well as we, but they also know us better than we know them.

How shall we begin? How can we get at the minds, understand the point of view, penetrate the varied consciousness of the other Americans? How shall we surmount the numerous barriers? The material barriers in the way of communication—those of inefficient telegraphic, postal, passenger and freight service—will be diminished naturally in response to the demands of economic exigencies. Our chief concern therefore is not with them. Our first task is in the nature of a self-preparation. We have need of knowledge.

Much may be said in favor of the proposition enunciated by President Butler, at one of the dinners given in New York to the delegates to the Second Pan-American Scientific Congress last year, that the future Pan-American ought to be bilingual. It would

be difficult to overstate the importance of Spanish for us, and of English for the other Americans at the present moment. South of us are spread broad and rich fields of knowledge. Spanish is the sickle we need for the harvest. The increased interest in the teaching and study of Spanish to be observed throughout the United States, and of English in the other countries, augurs well for the future of American relations. While, however, we are all becoming bilingual, it is of prime importance to awaken the interest of our young people in their American neighbors by including in the schemes of popular education proper courses of study upon the geography, history, literature, institutions and varied character of the peoples with whom destiny has linked us for future co-operation. Also much can be done by translation. Probably more North Americans know French literature by means of translation than by reading it in the original. Our libraries and homes could be appreciably enriched by placing in them translations of at least a few score of the noble specimens of literature produced by the Americans who have expressed themselves in Spanish or Portuguese.

We cannot all go to our national neighbors, nor can we bring them to our doors, in order to establish with them a community of thought and ideals; but books, magazines and newspapers, commonplace as they are, like bread and water, air and all essential things, are felicitous instruments for bridging space, time and temperament, and these are never totally inaccessible to resolute and intelligent people of good will.

I have outlined the needs and the difficulties. May I now give you four words, as they say in Spanish, regarding some practical achievements with which I have had the honor to be connected? In addition to the many institutions which are fostering the study of Spanish here, and of English in the other American countries, the Carnegie Endowment for International Peace for three years, through the instrumentality of its Division of Intercourse and Education, has spent considerable sums to promote the study of Spanish and of the history and geography of the southern countries in the summer schools of more than four score important universities, colleges and normal schools in the United States.

Last year the Carnegie Endowment gave to an institution of Buenos Aires a carefully selected, catalogued and equipped library of ten thousand North American books to serve as a symbol of good will, and as a permanent interpretation of the thought, feelings and activities of the people of the United States in that great capital.

It fell to my lot, as the representative of the Endowment on the occasion of the presentation of the library, to emphasize the need of an exchange of literature between all our countries, and later, to speak in universities and colleges in six of the principal South American countries upon some of the great themes emphasized by present world conditions. Many books were collected and brought back for use and distribution in the United States.

Another practical manifestation is the establishment by the Carnegie Endowment of the magazine, *Inter-America*, the publication of which was begun in May, and which is to be issued alternately, one month in Spanish, made up of diversified articles translated from the periodical literature of the United States, and the next in English, composed of articles translated from the periodical literature of the American countries of Spanish or Portuguese speech. This magazine is intended to overcome somewhat the barrier of a diversity of language, in order to establish a community of ideas between all the peoples of America.

Another undertaking is the creation of the "Inter-America" library, which is to consist of translations of a number of our best books into Spanish, and of a number of the best books of the other American countries into English. Several translations have already been made, and the books will soon begin to appear.

One other practical expression may be mentioned. The Endowment has appropriated a sum sufficient to buy and transmit considerable collections of North American books to fifteen institutions in Brazil, Uruguay, Paraguay, Chile and Perú. Efforts will not be spared to put at the disposal of our institutions similar collections of works by Spanish and Portuguese Americans.

Apart from the activities of the Division of Intercourse and Education of the Endowment which look toward the drawing together of the American peoples, the Division of International Law and the Division of Economics and History are co-operating, not only in the study of conditions that affect international rights and relations, but also in aligning the leaders of the nations upon the basis of international law, rectitude and conscience.

YGNACIO CALDERON, Minister from Bolivia: When we speak of supporting and defending democracy in the world we do not refer simply to political organization. Supporting democracy means something more than that; it means the acceptance by the countries of justice, freedom and liberty. Those great principles have been

put in the human soul as its eternal and invariable guide, just as the law of gravitation has been established for the orderly movement of the heavenly bodies. We have never heard of a properly managed republic starting a career of war and conquest. That is why we consider democracy the sure guarantee of peace.

Morality is the first condition of human relation, whether personal or national. I will illustrate my idea. If every member of a partnership honestly and directly puts all his efforts into the business of that company, the company will succeed. If however, one of them forms a scheme to seize for himself the profits of the company, the company may be ruined, after a career of progress and prosperity; and simply because of the lack of honor of one partner.

It is the same thing with nations. You cannot conserve the peace of the world by making wars, or by making leagues of nations to keep peace by making war. The nation that breaks a treaty acts like the partner who forgets the welfare of his company. We have a perfect example of that. Germany signed all treaties of The Hague; she signed the guarantee of the neutrality of Belgium; but when her rulers thought they needed a place in the sun, she broke those treaties. And already at that time, you must not forget, Germany had its place in the sun all over the world. Germans were accepted as the best and most desirable citizens not only in this country, but all through South America. German agents had spread their business all over the world. Even in England, many merchants and clerks in the counting houses and banks were of German origin.

The Germans thought that they needed a place in the sun. Why? Because they thought they should have the direction, the supreme power of the world, and therefore they did not hesitate to turn into a scrap of paper one of the most sacred conventions among nations. When President Wilson says that it is necessary to make war in order to make the world safe for democracy, that means that we must make the world safe for good faith, for the respecting of other people's rights and freedom.

It is fortunate that this country has really at heart those principles as a guide for its policy. The proof of it is what the United States has done in Cuba. According to the standards of European politics you had a right to take Cuba and hold it, but you left it. You left the country well organized, and after having given the people freedom, left them to rule themselves. That is of the true spirit of democracy and good faith, with which the United States granted

liberty to Cuba. Why was that? Because more and more the United States is coming to understand the democracy of morality, and the teaching of respect for the rights of other people. Those sentiments will go on increasing, and will, I trust, become the invariable rule of this country. In Cuba all nations have the privilege of the open door to do business, even if there are certain treaty advantages granted mutually between the United States and Cuba. Instead of keeping the island as a colony with a dissatisfied population, you have a grateful country that acknowledges its enjoyment of independence as due to you.

This was a fulfilment of the great principle that every people should choose their own government. That also is the basis of Pan-Americanism, which means simply the good faith and harmony of all the republics on this continent, the assurance that no matter what their state of development, they shall have the privilege of directing the affairs of their own country. There is a great difference between America and Europe in this respect, and nothing proves this more plainly than a look backward at the history of the Old World and the New World. The combinations of monarchies in Europe have never been able to maintain peace there, because they dictate governmental policies simply in their own private interest. With us, on the other hand, the people have a part in everything and it is in their welfare that we are principally concerned.

I have also something to say about the Monroe Doctrine. That doctrine, as you well know, was the declaration of a free people, notifying the great Holy Alliance of Europe that the western continent had been devoted to the cause of freedom and democracy. The Monroe Doctrine was promulgated when South America was still fighting for its independence in the fifteen years' war which ended in 1825. The present stand taken by the United States is simply an extension of the application of the Monroe Doctrine.

No nation in the world was originated in the same way as the United States, which was founded by men who loved freedom above everything in the world. They found in this great new world, filled with the promise of natural wealth, with its great fields, its beautiful rivers, its enormous mountains full of mineral wealth, the promised land of justice and liberty. In Massachusetts, as in Maryland and the other sections, the English colonies grew in the practice of justice and law. Therefore if the United States should tomorrow invade any other country, it would be acting contrary to the principles of those who founded this country, and the spirit in which it has been established.



It is unfortunate that some men in this country preach the doctrine, "Forward to Panama." Not only is such a doctrine contrary to your ideals, but there is no occasion for it. Merchants, speculators, miners—everybody that intends to develop honestly any kind of industry is welcome. The door is open, and it is not necessary to compel that which is freely given. We to the south of you respect the rights of all, and are mindful of our duties. If your citizens can go and make fortunes there, you do not have to increase your territory. If you go after more territories, it will bring an increase of duties and responsibilities, difficult problems of mixed races. You are happy in having here a homogeneous nation inspired by the same principles, belonging for the most part to one single race; if you have in the South the presence of the Negro race, I will say frankly that it is a punishment for the crime of bringing those poor Negroes from their homes to make them slaves here.

Before the War of Secession the politics of the United States contained an element of irreconcilable conflict. The selfish interest of the South dictated an increase of the number of slave states; the North, on the other hand, was interested in counterbalancing the southern power. Hence the profound truth of Lincoln's statement that the country could not exist half slave and half free. Slavery was abolished, and we on this continent are devoted before God to the cause of freedom, security and the welfare of every nation. I hope that we shall always repudiate conquests and war, but not merely because we have treaties; for treaties can be turned into scraps of paper. Our treaties must be written in our conscience, in the very depths of our heart; and everyone of us must know that the United States and the other countries of America alike have a respect for their duties and their obligations. The western hemisphere is and must be the home of democracy, justice and peace.



# FUTURE RELATIONS WITH THE FAR EAST

## I. THE NEW FAR EAST

## II. TREATY OBLIGATIONS TOWARD RESIDENT ALIENS



## THE NEW CHINA AND HER RELATION TO THE WORLD <sup>1</sup>

V. K. WELLINGTON KOO

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**T**HE subject for my paper is The New China and Her Relation to the World. In the presence of this distinguished assemblage, composed as it is of special students on the various problems of international relations, I feel there is scarcely any phase of that subject which is not already familiar to many of you. I shall therefore proceed, with your permission, merely to emphasize some facts which it appears to me important to consider in the study of the problems before us.

One of these facts is that the Chinese people are a progressive people. It was only fifty years ago, in 1868, that Anson Burlingame, in response to the welcome extended to him by the citizens of New York as the head of the first Chinese diplomatic mission sent abroad, announced that China was "ready to take upon her ancient civilization the graft of your civilization." Since that time progress in the modernization of China has been very rapid.

Politically, she has since been able to lay at least a foundation for constitutional and representative government; she has adopted a constitution and established a parliament in Peking and legislative assemblies in the provinces; she has organized a police on a modern basis; she has revised a great part of her laws to suit changed conditions of life, and built up a system of courts along the lines of an independent judiciary; she has created a modern army and the nucleus of a navy. More than all this, she has succeeded in throwing off an alien yoke which weighed her down for two hundred and

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sixty-seven years. In discarding the doctrine of divine kingship which prevailed in China for thousands of years and in reconstructing her government on the principle of sovereignty vested in the people as a body, she has thrown autocracy overboard and is putting her house in order under the ægis of democracy.

In the field of education China has abolished the system of literary examinations which obtained in that country for at least a thousand years, and has established in its place throughout the country schools and colleges to train her citizens; she has abandoned classics as the chief subject of study and has embodied arts and sciences in the school and college curriculum. Whereas the work of education was formerly left largely to the people to organize and promote, the government has now created a ministry of education to discharge this responsibility.

As regards facilities for transportation and communication, she now possesses 6,500 miles of railroad in actual operation and many miles more in construction, 127,000 miles of telegraph lines, and half a dozen wireless stations. Steamships now ply busily back and forth on her coast and inland waters. The streets in some of her cities are traversed by electric railways and crowded with all kinds of modern vehicles. There is hardly any modern invention conducive to comfort or convenience that is not eagerly wanted by the people, who, as it were, but yesterday manifested opposition to railroads and telegraphs for fear of disturbing the spirits of wind and water.

Besides, her attitude toward foreign commerce has also undergone a radical change; instead of being indifferent to it, she is now eager to promote it to the best of her ability. It will be recalled that in 1867 there were only sixteen ports opened to foreign trade; today there are more than a hundred places where foreigners can take up residence and open permanent business establishments. China's foreign trade has grown almost tenfold in half a century—from less than two hundred million dollars silver in 1867 to nearly a billion and a half in 1916.

Side by side with the growth of foreign trade has been the progress of industrial development. Many parts of China are dotted with mines operated by scientific methods and factories equipped with modern machinery. In a great number of the larger cities the aspect is much like the busy manufacturing centres in the United States; there, as here, the blue of the sky is soiled by the clouds of smoke emitted incessantly from the chimneys of big factories, and the still air is disturbed by the hum of machinery, the scream of whistles, the roar of trains, and all the voices of progress familiar to you.

Nor has the progress of China been confined to the political, intellectual and material advancement of the nation; spiritual and social reforms have also made much headway. The vicious habit of opium smoking, which lowered the vitality of the Chinese race and jeopardized the moral life of the nation for more than a century, has now been completely suppressed, along with the prohibition of the sale and cultivation of the poppy which yields the drug. The successful abolition of footbinding, a practice which dated back in its origin to the ninth century and which for centuries was dictated as a necessary adornment of refined womanhood, is but another example of the vigorous spirit of change and betterment that is latent in the Chinese race.

These marks of progress have all been made in the last fifty years; and fifty years is a very short period for effecting reforms which involve, as is the case of China, a change of conceptions which, through centuries of inculcation, have acquired something of the spontaneity of intuition, and the abandonment of practices which, by the force of habit formed from many decades of repetition, have become second nature to the people. It is true that the world has also witnessed during the past half century the rapid rise of two or three nations from the degradations of weakness to the pinnacle of power; and that when compared with these examples, the progress of China might appear less marked than it is. But in making a comparison of this kind, it is to be pointed out on behalf of China that the vastness of her territory and the density of her population have added greatly to the immensity of her task.

It is not unnatural that for these reasons China requires a longer time to bring about her complete rehabilitation. Besides, there were other great obstacles and difficulties in her path of progress. During the period we are considering, she underwent two disastrous foreign wars, three political revolutions, and a great number of crises in her foreign relations, which were in many cases deliberately forced upon her by others in pursuance of their policy of aggression. More than this, her freedom of action was, as it still is, much restricted by treaties made at a time when it was both tempting and easy to take advantage of her weakness and want of familiarity with the principles and practices of modern international intercourse.

The second fact that I should like to emphasize is that the people of China are peace-loving as well as progressive. Like the American people, they have great faith in the ultimate supremacy of reason, and they resort to force only when driven to it by compelling considerations of justice and right. One of their national philosophers has taught them for twenty-five centuries that "he who with reason assists the master of mankind will not with arms conquer the empire. Where armies are quartered, briars and thorns grow. Even beautiful arms are unblessed among the tools, and people had better shun them. Therefore, he who has reason does not rely upon them." That this teaching has had an abiding influence upon the Chinese people is a fact to which the history of China bears a striking testimony. No nation can show a record more free than China from charges of initiating unprovoked war or committing acts of wanton aggression on other nations. This sentiment of love of peace and respect for reason has so percolated through the different strata of society that settlement of disputes by arbitration or other peaceful methods is today a very general practice throughout the country.

The third and last fact I wish to point out is China's potential wealth and power. Not only is she, because of her huge population and its growing purchasing power, destined to be the world's greatest market in future, but the abundance of agricultural and mineral resources within her boundaries also



makes it certain that the possibilities of her economic and industrial development are great beyond calculation. Coal and iron, the so-called vital essence of civilization, are particularly abundant. The mountain pastures of north and north-western China, by reason of good climate and plenty of water, food and space, are most suitable for raising cattle and sheep, while the fertility of the soil in the south and southeast promises the greatest possibilities for agriculture. To these resources must be added the immense supply of water power in most parts of China and the vast amount of cheap and efficient labor. Surely no single nation possesses a greater amount of the resources of nature and men, no single nation presents a better combination of the elements of wealth and power, than China. When the rich deposits of coal and metals are unlocked from beneath the earth, when the fertile soil is subjected to the work of the plough, when the vast store of water power is harnessed, when the large supply of labor is fully utilized, no one can tell how far the material development of China may be pushed.

We see then that the New China, with her vast potential wealth and power, is progressive in spirit and still peaceful in sentiment. That such a country will sooner or later have a great deal to do with the future of the world, no one will deny. What, then, is China's relation to the world's future? The answer really depends upon what policy the other nations adopt vis-à-vis China, and what treatment they accord her. To be more definite, it depends upon whether they continue to permit themselves, or any one of them, to bully and browbeat her, committing one assault after another on her sovereignty; or seeing the injustice of these acts, acknowledge her right of existence and extend sympathy and support to her plans for progress. It depends upon whether they continue to keep the shackles of extraterritoriality, treaty tariffs, leased ports, railway zones and the like around her body; or, recognizing the un wisdom of such a policy, aid her to remove them and restore to her full liberty of development. It depends upon whether they insist upon taking advantage of her love of peace, and continue to heap grievance upon grievance, thereby driving her some day to pursue a different policy; or realizing the

value of this sentiment to the cause of international concord and tranquility, have due regard for her feelings and sensibilities. It depends upon whether they remain indifferent to attempts on the part of some of them to revive the doctrine of the spheres of influence and to close the open door within her borders; or appreciating the ultimate consequences of such a course and the desirability of keeping the Chinese market open to international trade on a footing of equality, help China batter down this pernicious doctrine of spheres of influence, foil these selfish attempts, and maintain the principle of equal opportunity for the trade of all nations in all parts of China. It depends upon whether they permit any nation to wrest away her rich resources and immense man-power from her own possession, and utilize the one as means of aggrandizement and mold the other into instruments of conquest; or realizing the possibilities of danger to the peace of the Orient and the world, aid China to conserve these resources of wealth and power in her own hands and develop them, not as selfish means for aggression, but as instruments for the common purposes of peace. It depends, in other words, upon whether they are content with China's remaining a "sensitive spot" affecting international relations, as a prominent English writer has recently characterized it; or seeing the consequences that are sure to flow from a continuance of this condition, are willing to check the inflammation by mitigating the attack from "economic antagonism," which is the most vicious type of international disease germs, extract from her body extraneous matters, such as consular jurisdiction, which have lowered her power of resistance, and help expedite her recovery to normal health. In short, it all depends upon whether they continue, in regard to China, to pursue a selfish policy of obstruction, interference and aggression, hoping thereby to get a share in whatever spoils may come; or whether they realize that such a course is sure to lead to conflicts, rivalry and antagonism, to disturbance of the peace of the nations; and that the best guarantee for the open-door policy, for the principle of equal opportunity and impartial trade for all, and for the devotion of her wonderful resources of wealth and power to peaceful pur-

poses, lies in a strong and powerful China; and upon whether, realizing all this, they accord her that respect for her rights which they demand of her for their own rights, and conscientiously assist her to attain the end which is to be desired as much in the common interest of the world as for the sake of her own welfare.

It is probably safe to say that no single outstanding question of today is more important than the outcome of the series of alternatives which I have just mentioned; and no nation outside of China is perhaps more interested in this outcome than the United States, whose future, because of her vast insular possessions in the Pacific and her extended coastline abutting on that great ocean, is in many respects bound up with the future of China. Conscious of this community of interest, no one on either side of the Pacific Ocean can observe the never-interrupted friendly relations between China and the United States without feeling a deep sense of gratification—a friendship that has been made possible by the mutual desire on the part of both countries to observe the principles of peace and justice, of good-will and amity in all their dealings with each other. And no one can contemplate the significance of the question we have been considering this evening without hoping that the people of China and the people of the United States will directly co-operate as far as possible in order to secure for this great question a correct solution—one that is conducive alike to the best interests of the world and to the noblest aims of China.

## AMERICAN AND JAPANESE CO-OPERATION<sup>1</sup>

JOKICHI TAKAMINE

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**N**O subject before the conference compares in interest for me with that of the United States and the Far East. A son of Japan and for the most of the years of my manhood a resident of the United States, enjoying her hospitality, entering into her wide fields of scientific research and her great domain of business, and taking with the years still dearer pledges of human good-will to America, it is natural that all matters tending to closer union and clear understanding between the two should be vital to me.

First of all I would lay down the undebatable principle that for the good of the world the bonds between the United States and the Far East should be close and lasting. Such bonds of union not only go toward maintaining peace and trade and commerce between the peoples of western Asia and the people of this great republic, but they rest upon the postulate that the Pacific Ocean shall be for all time a lake of peace, an open highway for binding mankind together and not a mere expression of the distances separating them. To make these conditions clear, to aid in their establishment, to bring them from the region of speculation into the realm of firm accomplishment would be worthy work for anyone; to me they seem of the greatest urgency. In a world now torn by a great war in which all the bases of civilization are at stake, in which all the old hard lines of demarcation between races and nations are in a state of temporary fluidity, in which the winning or the losing of one great battle may render the maps of a few years ago unrecognizable, how great a thing it would be to insure the stability of a full half of the world by a thoroughly reasoned understanding, a compact of intellect and enlightened

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interest between the United States and the powers and peoples of the Far East with a free Pacific Ocean between!

From the viewpoint of world powers this means primarily an understanding between the United States and Japan, with the benevolent attitude of Great Britain and France on account of their Asiatic possessions on one side, and of the Central and South American republics on the other. This is no dream. It is happily a present actuality and may with a little wisdom be made perpetual. What, then, stands as a threatening possibility in the way, and how can this possible obstacle be removed, and the path of peace made smooth and open for the coming centuries? On all vital and pressing matters the United States and Japan are in agreement as far as they are called on to agree. The attitude of Great Britain, based on her Indian possessions and her trading interests, is wholly benevolent. The same is true of France in her place as a colonizer and possessor of Indo-China. There remains, then, as a possible disturbance of the peaceful progress of our half of the world, the question of the vast dominion of China.

From China herself no threat of breaking the peace of the Far East comes. It is in the attitude of all the powers east and west toward China that the danger resides. Her weakness is an invitation to the predatory instinct. Over her hundreds of thousands of square miles of territory her population of four hundred million souls is slowly awakening to modern ideas and modern wants. Her traditional orientalism under the empire of the Manchus stood in the way of her absorbing the learning, the science, the intricacies of modern civilization as Japan has done in the past fifty years. She stands there, a field for education, offering an enormous, ever-growing market to the manufacturers and merchants of the world. Under her new republican government she will, it is to be hoped, wrestle with her educational and evolutionary problems in a becoming way. It is for the powers outside herself to say how her trade may be fostered and secured, how fair play may be the high condition for all—an open competition for her custom and good-will. On the part of China the required condition is the open door as defined by the American statesman, John

Hay, carrying with it equal opportunity for all in pursuit of the development of the dormant resources of China. As the matter stands, the powers most directly interested—Japan, the United States, England and France—all stand pledged to both these conditions of open door and equal opportunity. What, then, lies beyond? A provision putting it permanently out of the program of the trading nations to intrigue for or seize upon Chinese territory; in other words, a pledge to respect the territorial integrity of China.

We have herein reached the heart of all that must be made secure to insure that perfect peace in the Far East on which I build such hopes of the future. I take it for granted, and I am sure that I am in accord with the members of this National Conference on Foreign Relations of the United States, in asserting that the land of Washington, Lincoln, Grant and Wilson has no designs upon the territory of China. With equal certainty I assert that Japan subscribes just as heartily to that stipulation. A multiplication of assertions to that end has been made by the most responsible statesmen of my country. Not only do the recent words of Prime Minister Terauchi voice this recognition that Chinese territory is outside the region of international rapine, but they are expressive of an active good-will toward the Chinese government and people which he is daily translating into acts. Notwithstanding the long line of such protestations on the part of Japan and Japanese statesmen and officials, and the indisputable evidence that the relations between Japan and the new government of the Chinese republic have been placed upon a footing of mutual trust, and of forbearance toward China on the part of Japan in events growing out of China's difficult transition period, there are still in America some open skeptics of Japan's intentions and motives. I have no doubt that these are mainly survivals of the wholesale and intemperate allegations and accusations hurled at Japan in a campaign carried on a few years since in America by the agents or partisans of the late ruler of China, who was aiming to make himself emperor, and who sought to set up Japan as the foe of America. It was easy to controvert and disprove the accusations, but the contradic-

tions did not reach all who may have been impressed by the original libels. Happily, the ground is now clear for full trust and confidence in the entire good faith of Japan as regards the United States and China.

I would not have taken such pains to restate the points of the Far Eastern situation as I see them, if I had nothing important to add to them. I have. One promising and profitable way to insure a durable peace in the eastern hemisphere is to secure joint action by the United States and Japan in trade and investment in China. Governmental unity through pledges stated or implied can profitably go no farther than at present; but individual and corporate activity and unity can go much farther. All the preparations and *pourparlers* are actually or apparently aimed at securing a fair competition for all nations in exploiting, developing and securing their share of trade in China. I would propose and support as far as possible joint enterprise between Japanese subjects or corporations and American citizens or corporations in the development of Chinese resources. Let us as far as possible direct our competition to the point of getting a share in the enterprises intended for trade or manufacture in China, whether the enterprises be of American or of Japanese origin, rather than holding these enterprises wholly apart and competing against one another in China. The material and moral advantages would at once become manifest. I do not mean to say that it would be necessary that all enterprises from either nation directed toward China should be so combined; but that the more the better, and for a very solid reason. They would so leaven the mass of competition as to insure a perfect evenness of opportunity, and to have the best brains of both nations at command. Co-operation can be realized in half a hundred lines of manufacture and in all lines of trading, from the treaty ports to the remotest cities of the interior of the China's widespread domain. I believe in it strongly as a strengthener of our mutual confidence. Much as they have achieved, my countrymen have much to learn, and Americans can teach them. And, similarly, there are not a few things of oriental nature which the Japanese can teach you.

## NEGLECTED REALITIES IN THE FAR EAST<sup>1</sup>

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THE United States faces two problems in the Far East. The first and immediate one concerns our relations with Japan; the second and larger one, our relations with China and ultimately with India. Many sober and well-informed persons believe them both insoluble except by force of arms. I dissent completely from this view, and I shall try in this paper to indicate some neglected features of the situation that in my judgment offer to a right-minded American diplomacy a means of maintaining friendly and mutually helpful relationships with the people on the farther shores of the Pacific. The Japanese problem is only the vestibule to the larger and more distant Chinese and Indian question. If we can justly and successfully deal with the perplexing realities fronting us in regard to Japanese immigration into the United States and Japanese-American trade and investment rivalries in China, we can count on invaluable Japanese co-operation in solving what may well be the greatest political problem of this and the next century—the adjustment of relations between East and West during the years when western industrial methods, western political organization and western ways of thinking and acting shall make themselves effectively felt in the life of the seven hundred million people of China and India, as they are already beginning in some measure to do, and as they have already suddenly and dramatically done in Japan. If I discuss chiefly our relations with Japan, then, it will be because those relations involve the whole eastern field.

I believe that it is possible for the United States permanently to enjoy peace and friendship in the Far East—on the

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basis of one indispensable condition: We must abandon the dream of white supremacy. We must look forward, not grudgingly but gladly, to a free, self-governing, equal Asia, must aid whole-heartedly in every effort to bring such an Asia into being. This does not necessarily involve throwing overboard every restriction on Japanese or Chinese immigration, for example, but it does involve abandoning discrimination against orientals just because they are orientals. It does involve recognizing that we have no mission to rule Asia. Democracy is not to be dammed back within the confines of the Caucasian race. Do or do not the American people believe in democracy for the world? Despite all manifestations to the contrary, I believe that they do, down at bottom. Because I so believe, and only because I so believe, I am hopeful of our helping the world solve the problem of relations between East and West. The West has had to make concessions to the national spirit of Japan; it will have to make concessions to the rising national spirit of China and India. Let our democracy be as big as the world; none other can meet our need.

Foreign policy, though guided by ideals, must be built on realities. In the eastern situation there are two classes of realities. The facts that make for conflict lie evident on the surface; for a decade they have been emphasized by American journalists and other writers on the Orient. They include, first, the dense population and the limited natural resources of Japan, causing, under stimulus of western example, an irresistible push toward expansion and colonization. Over against these facts stand, second, the rich resources of China, together with the present political and military weakness of that country. Third, we see the selfish struggle of rival concession-hunting capitalist groups in China, each backed by its own government with diplomatic and ultimately military and naval pressure. Hence, we are told, the survival of the greedy backed by the biggest guns. These commercial motives, whose operation, if unchecked, would seem almost certainly destined to bring the western nations into armed conflict first with Japan, and later with China and India, are furthermore being strongly reinforced, in the fourth place, by race prejudice. Repressive

British rule in India, foreign contempt of Chinese rights and susceptibilities in China, American, Canadian and Australian discrimination against Japanese and other orientals, and wanton insult of individuals justly proud of their race and lineage—all evidences of contempt for the oriental, of determination to pursue western aims regardless of eastern desires, are unquestionably strengthening the forces making for conflict.

These things are realities. No one can afford to neglect them. Small wonder that many sober and well-informed students fear an eastern war in consequence, and specifically warn the United States to make ready its military and naval power against the day of supposedly inevitable conflict with Japan as the earliest representative of the East. If these be all the facts in the situation, such students are right; but these are not all the facts, not even the most important ones for a statesmanship that has faith and imagination as well as ability to see. What, then, are the other realities on which a democratic statesmanship can build a policy of peace and prosperity in the Far East?

First and foremost is the growth of democracy in the Orient. Liberalism in Japan, republicanism in China, and nationalism in India—all are manifestations of the same force. Yuan Shi'h Kai, astute statesman though he was, failed to reckon with the movement in China, and his power crumbled. China will not go backward. The more far-seeing of the British rulers of India see the handwriting on the wall and urge concessions there. But most immediately significant, because in some ways most advanced, is the growth of Japanese liberalism.

The notion has been sedulously cultivated in the United States that the Japanese people, so far as they are interested in politics, are a unit in support of forcible imperialistic expansion. This is absolutely contrary to the fact. A large and influential group of merchants, manufacturers and financiers realize that the expansion of markets so eagerly desired cannot be attained by mere political conquest, but must be secured through the friendship of customers to be. Japan's demands on China in 1915 represented the culmination of a forward policy bitterly and properly resented by the Chinese. What is not realized here is that these demands were sharply criti-

cized in Japan also, not only by the political opponents of the Okuma government, but by commercial leaders and disinterested students of public affairs. The demands have always been regarded in wide circles there as wrong and mistaken. The overthrow of the Okuma cabinet and the calling of Count Terauchi to be prime minister was widely heralded in our press as meaning an intensification of the pressure on China and a further development of militaristic coercion. As a matter of fact, the Terauchi administration has made a complete about-face in Chinese policy and has set itself the task of winning the good-will of the Chinese government and people. It is not necessary for my purpose to assume that this has been done from other than selfish motives. Superficial appearances to the contrary notwithstanding, I am assured by at least one competent observer that imperialism and liberalism in Japan are even now so nicely balanced as to make it not altogether easy there to carry out a policy of unqualified coercion in China, even with the attention of the rest of the world more or less diverted by the European struggle.

Japanese liberalism rests back in this matter upon a second reality that is constantly forgotten—the genuine and general desire of the Japanese people and government for peace. The man who represents any considerable section of Japanese opinion as other than earnestly desirous of peace with the United States and the rest of the world is either misinformed or worse. This is not to say that the Japanese would not fight under certain easily conceivable circumstances; but governing classes, business men and common people alike realize the disadvantages of war and earnestly desire to avoid it. Japan's financial situation will for a long time to come make the problem of financing a war extremely difficult. Her rapidly growing manufacturing and commercial interests would suffer greatly from an armed contest, which would bring but doubtful benefits even to her financiers. Her common people, already loaded with taxes, and her socially minded officials, busy with the difficult tasks of improving sanitation and education and raising living standards, have no desire to see their work made harder by the burdens and losses of a war, even a successful

one. Despite alarmist reports to the contrary, we may be perfectly well assured that Japan is not going to war if she can help it, and it is becoming progressively less probable that she will feel herself unable to avoid it.

For, a third neglected reality is the change in the eastern situation that is lessening the fears of Japan. The glacier-like southeastward movement of Russia and the scramble of European states for pieces of China created an apprehension in Japan that was no small element in causing her aggressive forward movement. Since the signing of the Russo-Japanese treaty Japan has been relieved of the imminent fear of farther Russian advance; and today, like all the world, she stands face to face with the wonder of a new free Russia. The peace conference at the end of the present war may well bring an adjustment of Chinese affairs that will free Japan from the fear of renewed aggression in China by other European powers. Only let the United States at that conference come forward in frank and friendly manner, making clear the willingness of our business men to work with anybody and everybody in the economic development of China on terms laid down by the Chinese, and Japanese and Chinese fears alike will be largely put to rest. Then—and this point I would emphasize—the liberal element in Japanese foreign policy will have far freer scope than was ever before possible. In any case, the situation shows distinct and cheering improvement at this point, and our opportunity for a policy of constructive friendship is correspondingly enlarged.

In the fourth place, as regards Japanese-American trade and investment rivalries in China, so frequently alleged as a cause of inevitable conflict, it is a fact that competition does exist, but it is constantly forgotten that the Japanese eagerly desire American co-operation. Baron Shibusawa's visit to this country in 1916 gave evidence of that desire on the part of Japan, and suggested the Japanese idea of the form of co-operation. The exact mode of such joint action suggested by the Japanese may not meet the approval of our bankers, but only a blind and stupid financier or statesman would fail to take account of the Japanese desire in laying his plans for the future. There

exists today an extensive and substantial mutuality of business interests between Japan and the United States. Japanese merchants, manufacturers and statesmen recognize that the great natural resources and abundant capital of the United States naturally complement the dense population and relative poverty of Japan, and that citizens of the two countries can advantageously work together in the great task of the economic development of the East. Business co-operation between Chinese, Japanese and Americans, I am persuaded, never offered a more hopeful field for the development of mutual understanding and friendship than at the present time, when old difficulties are in process of being removed. American business leaders, happily, give some evidence of seeing the opportunity.

A fifth reality on which we may confidently reckon is the intelligence of Japanese statesmanship. Those who guide the new Japan have never been charged with a lack of knowledge of their own interest or a want of long-headedness in pursuing it. Now it so happens that if the western nations do not make territorial aggression on China, and do not use their political and diplomatic power to gain exclusive economic privileges for their own subjects, the Japanese stand to gain most of any people by a policy of equal opportunity. The Japanese recognize this fact. We may safely reckon that no responsible statesman in Japan will voluntarily, at any rate wantonly, do anything to stir up Chinese hostility. Furthermore, the desire for American co-operation in the development of China makes it certain that nothing will be done needlessly to offend America and Americans.

The course of Japanese statesmanship since the Russian war will undoubtedly be cited as belying this view. Japan's course in Manchuria and the forward policy pursued in China after the opening of the European war have frequently been regarded as indicating a blindness to all other considerations than the gains to be made by a ruthless exercise of political and military pressure. I do not desire in any way to defend the course of Japan in these matters, and especially in the negotiations connected with the demands of 1915, which can-

not in my judgment be defended even from the Japanese point of view. Is it not possible, however, that Japanese statesmen at that time reverted for the time being to the older oriental methods of diplomacy and asked for a great deal more than they expected to get, in order to have material for bargaining? Whether this be so or not, we should remember that the demands of group five are laid on the shelf, and there is no immediate prospect that they will again be placed on the counter. In addition, as previously indicated, the Terauchi government has adopted a friendly and conciliatory attitude toward China, and is apparently doing everything it can to make up for the errors of its predecessors in creating both in China and throughout the rest of the world an unfavorable opinion concerning Japan's course in China. A Japanese correspondent of the *New York Tribune* has recently said:

The world apparently does not yet realize the significance of the new Japanese policy toward China. Today Japan is saying to China: "There is one and only one way to save ourselves. That is for China and Japan to stand together through thick and thin. . . . After the great war in Europe none of us can tell just what will happen in the economic conditions of the world. China and Japan must stand or fall together." . . .

Does this mean then the old rheumy skeleton of "Asia for the Asiatic" coming back to life again? It would mean that perhaps if Japan did not have a few other considerations to consider. . . . Japan cannot afford to throw the American market overboard to hog the Chinese market. . . . Her interests lie rather in the direction of co-operation with American finance. This she sees clearly. She is eager to go hand in hand with the American interests in the work of developing the resources of China. Moreover there is another consideration besides the American dollar. In the language of Baron Goto, who is the brain and the main dynamo of the Terauchi cabinet:

"The era of the Pacific promises to surpass that of the Mediterranean or the Atlantic. All the forces of the West and the East will meet. Will they unite or clash? I believe it lies in the power of the United States and Japan to answer that question on which the future happiness and progress of the world will depend. For this reason the relations between Japan and the United States are

of supreme importance. . . . I hope the two nations will find principles on which to base abiding relations of mutual trust and confidence."

Ideas such as these can scarcely be dismissed as mere newspaper propaganda. For my own part I prefer to reckon on the intelligence of Japanese statesmen as an important datum in the solution of our immediate Far Eastern problem rather than on the dreams of journalists beyond the Pacific terrified by the events of the past two decades into a belief that the Japanese are determined to have a war with somebody at any price. If newspaper correspondents and editorial writers will only stop talking war and thinking war in the Far East, if we Americans will honestly and earnestly take up the question of discrimination against Japanese and Chinese in our own country, in order to work out an equitable policy, and if we will approach the matter of trade and investment in China with a view to friendly co-operation with citizens of Japan and other states in furnishing the capital and the other means of economic development so earnestly desired by the leaders of the new China—if Americans will do these things, I am persuaded that we can count on the loyal aid of the Japanese; for Chinese, Japanese and American interests, except in the case of certain individual capitalist groups, are identical and not opposed, and Japanese statesmen see these facts perhaps even more clearly than we do.

I shall mention but two more of the intangible and neglected facts that have profound importance for any intelligent diplomacy. One is Chinese friendship for the United States and faith in American intentions. Throughout China there exists an eager desire for the investment of American capital, because Americans are not suspected of ulterior political motives. On the other hand, Japan, Russia, Great Britain, France, Germany—all unhappily rest under a cloud of too well-justified suspicion in view of their Chinese record. If the American people wish to capitalize Chinese friendship for the benefit of a few American capitalists, it will be an easy matter to put our diplomatic and naval resources behind doubtful concession hunters. If on the other hand we prefer to capitalize

Chinese friendship in the form of mutual benefits to the Chinese and the American people, the way lies open, and no insuperable obstacle stands in our path. The widely circulated report of Japanese government objection, for example, to the perfectly proper American concession of last year for railway-building in China was simply false. Our policy of relying on Chinese friendship for business opportunities has already won a measure of initial success. I am not afraid to trust such methods for the farther development of mutually profitable business relations, which in turn shall lead the Chinese to think of Americans as being genuinely their friends and not their exploiters.

Finally, true statesmanship will never lose sight of the real American sentiment in behalf of democracy and in favor of a republican China. Our failure to live up to our treaty obligations and our treatment of the Chinese as individuals give us little ground for pride or satisfaction; but it is a patent fact that we Americans do sympathize deeply with the idea of a Chinese republic, and that any diplomatic move looking toward the support of such a government will command overwhelming popular support here. In this state of public opinion American investors in the long run can probably count on government backing for those concessions only that do not touch Chinese political and administrative integrity. Concessions so limited mean gain to the Chinese people as well as to the concessionaires. The much criticized withdrawal of our support from the six-power loan group, and our later backing of American investments with no political strings attached, would appear to indicate that our government recognizes the importance of this last intangible reality.

If I regard the present far eastern situation, then, as one of hope, it is not because I do not recognize the facts that make it full of perplexity and danger, for no candid man can deny them. On the other hand, I am hopeful because I do recognize these other additional facts—the growth of democracy throughout the East, the desire of Japan for peaceful economic development, the lessening of her fear of the West, her hope for American business co-operation, and the intelligence of her



statesmen, together with the existing friendliness of the Chinese toward America, and the sympathetic interest of Americans in the political and social progress of China. These realities do not insure peace, but it is by utilizing such realities, too often overlooked as matters of mere sentiment, that a cool-headed but idealistic statesmanship may succeed in getting us over the rough places in our present relations, and building a broad highway of mutual understanding and respect over which the peoples of the future shall travel. Is such a program a mere counsel of perfection? Not unless democracy is a failure. The new-old world of the Pacific summons us to a statesmanship that shall be at once bold, clear-sighted, idealistic, democratic. The failure of the old, narrow *Realpolitik*, that saw but a part of the realities, is being written today in letters of blood on the battlefields of Europe; shall not America and the Orient tomorrow write in letters of burning truth across the rainbow arch of the Pacific the success of a new, broad *Realpolitik* that shall take account of all the realities?

## STATE INTERFERENCE WITH THE ENFORCEMENT OF TREATIES<sup>1</sup>

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**A** STATE may interpose legal objections to the enforcement of a treaty within its borders upon any one of three general grounds:

1. That the power exercised under the treaty is wholly denied by the Constitution to the federal government generally or to the treaty power particularly; or
2. That the power, though vested in the federal government, is to be exercised only by Congress, or by some branch of the government other than the treaty power; or
3. That the power is vested exclusively in the states.

In the brief time at my disposal this paper will deal only with the third of these objections, a consideration of the others and of their bearing upon the third being remitted to another time and place.

The position of those who take a narrow view of the federal treaty power in this respect may be fairly stated as follows: The Tenth Amendment to the Constitution provides: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." This but expresses the well-known historical fact that the United States is a government of limited and delegated powers. It cannot reasonably be supposed that the states meant to give to the treaty power a wider authority to override their internal domestic legislation than they gave to all the other departments of the federal government together, and therefore the consent of a state is necessary to the validity of any treaty that purports to operate

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

as law within its borders upon any subject-matter within the powers reserved by the states from exercise by the other departments of the federal government.

This view of the treaty power is advocated by two able writers who have recently discussed the subject acutely and thoroughly.<sup>1</sup> No doubt their opinions are not shared by the great majority of American publicists today, and much current discussion perhaps assumes that the contrary doctrines are conclusively settled. So far as actual decisions are concerned this is disputable, and some of their arguments have perhaps never been specifically answered. If we share in any far-reaching reorganization of the world after the present war, our treaty power must play a great part in it, and so a careful re-examination of its theoretical basis at this time is not a mere beating of the air. Let me then suggest some of the considerations that seem controlling in interpreting the treaty-making power of the United States in this respect.

The position that treaties cannot, without the consent of the states, operate as law upon subjects reserved to the states as against the power of Congress seems opposed to the letter of the Constitution. One of the prime objects of that instrument was to divide the subjects of legislation between the states and the nation. This was done by conferring upon Congress specified powers, the remainder naturally remaining with the states. But the treaty power is conferred upon the United States without any enumeration of the topics to which it extends. Why should the powers of Congress be carefully enumerated and the treaty power be simply conferred in general terms, if the same limitations in favor of the states are to apply to each?

Nor does the language of the Tenth Amendment affect the case. This merely provides that powers not delegated to the United States by the Constitution are reserved to the states or to the people. The general terms in which the treaty power is given to the United States seem to delegate, as against the

<sup>1</sup> Henry St. George Tucker, *Limitations on the Treaty-Making Power*; and William E. Mikkell, in *University of Pennsylvania Law Review*, vol. 57, pp. 435, 528.

states, the power to act upon any subject-matter within the usages of treaty making, and so the Tenth Amendment by its own terms is inapplicable. There may of course be some exceptions to this general power, arising out of other parts of the Constitution, but not, I think, from the Tenth Amendment. This view of the matter is confirmed by history, by international usage, by the decisions of our courts, and by the reasonable necessities of the case.

Article IX of the Articles of Confederation gave to the United States the exclusive right of entering into treaties and alliances, except that no treaty of commerce was to be made whereby the respective states should be restrained from imposing such imposts and duties on foreigners as their own people were subject to, or from prohibiting the export or import of any kind of goods. Article II reserved to the states every power, jurisdiction, and right not expressly delegated to the United States. Under the Confederation, the power to tax foreigners without discrimination and the power to prohibit exports and imports were certainly reserved to the states. If the general grant of the treaty power to the United States was not thought to carry with it any control over these reserved powers of the states, why were these express reservations against the treaty power in favor of the states inserted in Article IX of the Articles of Confederation? Apparently it was thought that without them the treaty power could not only regulate state taxation affecting aliens, but might even require it to discriminate in favor of them, and this in the face of an express reservation of states' rights in Article II stronger than the corresponding one in the Tenth Amendment of the Constitution.

The treaties entered into under the Confederation covered most of the subjects usual in treaties, nearly all of which fell within the legislative power of the states and not of the United States. Among the privileges thus secured to aliens were those of residence and trade, exemption from discrimination in respect of taxation, commerce, and navigation, the right to dispose of goods and lands by will, and the right to inherit. In the British treaty of peace it was agreed that British credi-

tors should meet with no impediments to the recovery of prior debts. The Confederation had provided no national machinery for the enforcement of treaties, however, and many of the states disregarded unwelcome provisions, particularly of the British treaty. In 1787 the Congress of the Confederation addressed a letter to the states, reciting that the legislatures of the states could not of right pass any law to interpret or limit the operation of a treaty; that, by virtue of the Confederation, treaties were part of the law of the land, independent of the will and power of such legislatures, and binding on them. The states were asked to repeal their laws inconsistent with the treaty of peace, as well to prevent their continuing to be regarded as violations of that treaty as to avoid the disagreeable necessity of discussing questions touching their validity. Most of the states did repeal such laws, and in several of them the courts held that the treaty annulled inconsistent laws without a repeal. In 1792 Jefferson himself, no friend of the treaty power, wrote to the British minister that these repeals were unnecessary, because, by the instrument of the Confederation, treaties were superior to the laws of the states, and that this was the general sense at least of those who were lawyers. Under the Confederation, therefore, treaties were the law of the land even in the field of the reserved powers of the states, though their rightful supremacy over state law was partly masked by the fact that the Confederation had no organs of its own to enforce them, and in some recalcitrant states they therefore went unenforced.

In the Philadelphia convention it was apparently assumed by everyone that the treaty power might freely deal with all the usual subjects of international negotiation. A few members desired to require the assent of the House of Representatives on at least the more important subjects, such as the possible dismemberment of the country, but no proposal like this secured even approximately a majority of the states. No effort whatever was made to protect the reserved rights of the states from the treaty power. In several of the state conventions that ratified the Constitution it was urged against the treaty power in the instrument that it authorized action that normally

fell within the province of Congress and of the state legislatures, without their consent. Some effort was made by the advocates of the Constitution to show that there were implied prohibitions against the surrender by the treaty power of vital functions of the national government, but no one suggested any such obstacle to possible encroachments upon the reserved powers of the states. In the opinion of Madison, when the Constitution was under discussion prior to its adoption: "The articles relating to treaties, to paper money, and to contracts created more enemies than all the errors in the system, positive and negative, put together." If the treaty power had been believed by its supporters not to affect the reserved powers of the states, this concession would surely have been made in argument in states like New York, Virginia, and Massachusetts, where the fight to secure a majority for the Constitution hung in the balance and was finally won by a narrow margin. In at least two of the state conventions amendments to the Constitution were proposed forbidding the treaty power to alter any provision of a state's constitution against the will of the state. That such amendments could be proposed shows clearly that those who adopted the Constitution were under no illusion that the treaty power was restricted in this regard, and it is also significant that no farther action was taken upon the proposed amendments. The commonest answer to those who objected to the treaty power in the Constitution was that it was practically identical in scope with that of the Confederation, but would have a means of enforcement in the federal courts that was lacking under the older government. The history of the framing and adoption of this clause in the Constitution lends no support to those who would restrict its scope as against the states.

From the early treaties with France in the eighteenth century down to the present time treaties have secured to aliens certain privileges in the states, that, but for such treaties, would be subject to state control. The commonest of these have been rights of freedom from discrimination in respect of travel, residence, trade and taxation, and the right to transmit or to succeed to property at the death of the owner. Since the adoption of the Fourteenth Amendment in 1868 many state laws dis-

criminating against aliens fall under its prohibitions as well as those of any applicable treaty, but even here it is to be noted that not every discrimination violates the due process clause, and that the equality clause of the Fourteenth Amendment applies only to persons within the jurisdiction, while treaties frequently protect the rights of non-resident aliens. Several state decisions before the Fourteenth Amendment upheld these treaty stipulations against the law of the state, and none have ever held a treaty invalid in any particular when admitted to be inconsistent with a state law.

The decisions under this head which have attracted the most attention have been those in the federal Supreme Court upholding the treaty rights of aliens to take land by inheritance or devise against the common or statute law of the state. These are the cleanest-cut illustrations of the supremacy of treaties over local state laws, because even today such laws are unaffected by the Fourteenth Amendment. By the common law an alien could not inherit land, or take an indefeasible estate by deed or will. The Fourteenth Amendment has not altered this. If a treaty can give to an alien, and especially to a non-resident alien, a privilege in this regard that will override the state law, plainly the breach in the general principle contended for by our strict constructionist friends is irreparable. Now a series of federal cases from about 1813 down to the present time has apparently sanctioned just this doctrine, and consequently great efforts have been made to show that these cases are less conclusive than they seem. Two lines of attack have been taken. Dean Mikell suggests that the earlier cases accepted without consideration some still earlier dicta, and that the later ones have assumed without argument that the matter was settled. It is true that most of the opinions in these cases contain no amplification of their grounds of decision, and that only the well-known opinion of Mr. Justice Field in *Geofroy v. Riggs*, 135 U. S. 258, attempts any general analysis of the treaty power. But it sometimes happens that the simplest points are the most devoid of direct authority, and it is not an argument against a position that for several generations counsel have thought it too well settled to contest it.

Mr. Tucker's argument is more ingenious. It is this: The state laws forbid aliens to inherit land. If a man ceases to be an alien he can inherit, and he does so not by overriding the state law but by coming within its terms. The federal treaties which purport to confer powers of inheritance upon aliens really operate by changing their status of alienage for the purposes only of inheritance, just as they would undoubtedly operate if they effected a complete naturalization of the alien. Therefore there is no real conflict between the state law and the treaty.

This mode of reasoning seems to me an impressive illustration of the power of words to becloud ideas. When a state law forbids an alien to inherit land, what does it mean by alien? Does it mean a person who is not yet in fact an American citizen, or does it mean merely a person upon whom our federal government has not yet purported to confer a capacity to inherit? The policy back of such a law is evidently that the ownership of the soil of a country is so important that it should be confined to its own citizens. Within the policy and meaning of such a law—a policy and meaning which, by hypothesis, the treaty power cannot coerce—does a Frenchman, who has never left France and has no intention of doing so, cease to be an alien merely because the federal government has agreed that he may inherit land here? This would be a question of construction of the state law, and, if a state court should decide, as it seems to me it rationally must, that such a Frenchman as I have described is still an alien, within the meaning of the state law, there would be no ground upon which the federal courts could reverse the decision. Plainly the federal decisions upholding alien treaty rights to inherit land do not go upon the ground that the treaty is merely a circumstance that affects the result only if the state law is given a certain rather violent construction. They assume that the treaty has a legally controlling force of its own which annuls the state law, and which no construction of the latter could avoid. This is explicitly stated in *Geofroy v. Riggs*, above, and seems the only rational ground of decision.



The practical arguments in favor of the supremacy of the treaty power over the reserved rights of the states are even stronger than the historical and judicial ones. The Constitution expressly forbids the states to make treaties upon any subject. If the federal government cannot do so upon any of the subjects reserved to state legislation as against Congress, then no power exists in the country to make adjustments with foreign nations upon a considerable range of matters ordinarily the subject of international negotiation. Dean Mikell suggests that, while the states may not make treaties with foreign nations, they may with the consent of Congress enter into agreements and compacts (as permitted by Art. I, sec. 10, clause 3), and that this mode of procedure would both meet the need for international arrangements upon such topics and the desirability of preserving state home rule in regard to them.

In the first place this assumes that the words "agreements" and "treaties" in the Constitution largely overlap in meaning, so that the states might do by virtue of agreements with foreign nations much that the United States and other nations do by treaty, and yet, by changing the form or name of the transaction, might avoid the prohibition against their making treaties. As an original proposition this seems unlikely. It is probable that "agreement" refers to trifling and temporary arrangements between states and foreign powers, without substantial political or economic effects, not requiring diplomatic negotiations, and not likely either in results or administration to create friction. Any arrangement concluded by a single state which might either create international controversy or foster special political, social, or economic ties or influences would be open to the objections that caused the prohibition of treaties. Of this character seem to be many of the usual treaty stipulations regarding the reciprocal rights of aliens in respect of trade, property holding, etc. If the prohibition against state treaty making is seriously meant, it could not be evaded by calling important arrangements of this sort "agreements."

In the second place, even if the Constitution were held not to prohibit such agreements, Congress would probably rarely think it wise to assent to them, on account of a well-grounded

fear of encouraging sectional interests in foreign affairs and of opening undesirable channels of intercourse and influence between the states and foreign nations. It is far safer and more impressive for us always to act as a unit in our foreign relations.

And, in the third place, we can drive very much better bargains with outsiders if we are able from a central authority to grant privileges that are country-wide, instead of compelling those who deal with us to make forty or fifty separate agreements with as many different states, even with the ready assent of Congress. Think of the new field that would be opened for the exertion of unscrupulous influences, if foreign nations were permitted to seek domestic favors from our state governments instead of from the United States!

From every point of view the argument that the federal treaty power cannot act within the reserved powers of the states utterly fails. It is a much weaker one than the one against such action within the field of congressional power, because, in the latter case, a single organ of government, Congress, is able in any event to act for the whole country, and probably it does not often happen that the assent of two-thirds of the Senate can be secured to a treaty that would not also command the approval of a majority of the House if embodied in an act of Congress; while the proposal to require separate agreements between each of our forty-eight states and foreign countries could scarcely be matched for sheer political ineptitude.

Just as in the case of treaties operating within the field of congressional power, however, there may be an implied prohibition or two upon the treaty power within the field of state legislation. One of them has been judicially suggested—the cession of the territory of a state. Considering the permanent political effect of such an act upon a constituent member of the Union, for the preservation of which the Constitution stands pledged equally with the preservation of the United States itself, it may well be that the treaty power alone cannot cede part of a state without its consent, at least unless coerced by superior force. Treaties made under such compulsion are, except in form, no more the exertion of the ordinary constitutional powers of a state than the yielding of a watch under

the pistol of a highwayman is an exercise of the victim's power freely to dispose of his property; and all arguments based upon the assumed effect of such treaties are fallacious.

And, finally, I may say that the fear of the treaty power, which has so obsessed a few otherwise well-balanced and capable publicists in every generation, seems to me quite groundless. The fact that two-thirds of the Senate as well as the President must assent amply protects the country from the danger of the bias or the poor judgment of a small group of men; the Senate is now chosen by popular vote, if that be thought an additional safeguard; and Congress can at any time abrogate a treaty. The opportunities for abuse are small. National prejudices offer a sturdy resistance to attempts unduly to favor foreigners, and, the scope of treaties being limited to such subjects as actually concern foreigners, there is not a wide field for the internal operation of the power at any time. The apprehensions sometimes expressed that the president and the Senate, by a colorable treaty with an Indian chief or a Central American republic, might gain control over most of the domestic concerns of the states are wholly fanciful. Such treaties would be constitutionally operative only as to foreign interests actually involved, and, even if this were otherwise, when we reach the point where the president and two-thirds of the Senate can deliberately unite, against the will of the country, in so discreditable a subterfuge, the time will have come when something stronger than constitutional prohibitions will be needed to save us. How little we have to fear from the vagaries or mistakes of the treaty power appears when we contrast its work with that of our legislatures, state and national, upon which its encroachments are feared. Very few treaties have ever received popular disapproval, and, in scarcely an instance, has the verdict of history confirmed such condemnation. If the other departments of our governments had records as uniformly excellent as has the treaty power, we should have achieved a more than Prussian efficiency. It may be confidently asserted that, whatever dangers threaten American government now or in the future, the menace of an improvident exercise of the treaty power is not one of them.

# STATE INTERFERENCE WITH THE ENFORCEMENT OF TREATIES: SOME MEANS OF PREVENTION<sup>1</sup>

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**A**LL sane Americans will agree that interference by any state of the Union with a treaty to which the United States is a party is a breach of good faith the seriousness of which is magnified by the commission of the offense by public authority on American soil. It must be obvious also that the United States, in which the power to contract and deal with the outside world is lodged exclusively in the federal government, cannot avoid responsibility for local infractions of a treaty, by pleading the failure of Congress to enact laws necessary to effect prevention. Lack of legislation required to enable a nation to fulfil an international obligation, contractual or otherwise, never affords a defense in law for the consequences of such inaction. As Mr. Root declared in 1910: "It is to be hoped that our government will never again attempt to shelter itself from responsibility for the enforcement of its treaty obligations to protect foreigners, by alleging its own failure to enact the laws necessary to the discharge of those obligations."<sup>2</sup>

It is worth while to consider how state interference with a treaty of the United States can be prevented or minimized. Such an inquiry calls for examination of certain prolific causes of complaint by foreign countries. The most numerous instances have been those where a state has neglected to perform adequately its duty of doing justice to resident aliens, or what may be described as its duty of jurisdiction, which by treaty the United States has directly assumed. Certain of our conventions provide, for example, in substance, that the citizens of

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

<sup>2</sup> See Proceedings American Society of International Law, vol. iv, p. 25.

each of the contracting parties shall receive in the states and territories of the other the most constant protection and security for their persons and property, and enjoy in this respect the same rights and privileges as are granted to natives. When, therefore, a state of the Union entrusted with the administration of criminal justice within its territory, neglects to use the means at its disposal to protect aliens within its custody from mob violence, or neglects to use those means to prosecute persons responsible for resulting injury or death, the treaty is grossly violated. The wrong done is, moreover, aggravated when officials who are necessarily agents of the nation for the protection of the alien or the prosecution of his assailant, connive at, aid or encourage lawlessness.

Cases of mob violence directed against aliens within the United States have recurred with deplorable frequency. Spanish subjects were victims at New Orleans in 1851, Chinese subjects at Denver in 1880 and in Wyoming in 1885, Mexicans were sufferers in California in 1895, and Greeks as well as aliens of other nationalities at South Omaha in 1909. Resident Italians have been periodic victims and have furnished an appalling list of cases. Italians were lynched at New Orleans in 1891, in Colorado in 1895, in Louisiana in 1896 and again in 1899, in Mississippi in 1901, in Florida in 1910, and (I regret to relate) in my own state of Illinois in 1914 and 1915. In no one of these cases was a single perpetrator convicted of crime. In the case of Alberto Piazza, who was lynched by a mob in Illinois in October 1914, indictments were found, but the failure to convict served to encourage rather than deter the mob which nine months later in another county, took from jail and lynched one Giuseppe Speranza.

The reason why resident aliens have been subjected to such treatment has been twofold: first, race antagonism or opposition to colonies of aliens of a particular nationality; and secondly, a well-founded confidence that no serious criminal prosecution awaited an offender. The administration of criminal justice by state authorities has proved in such cases to be farcical because of the notorious reluctance of juries impaneled

from among the neighbors of the murderers to return indictments, and their determination never to convict when the victims are aliens against whom, regardless of actual guilt, there is prejudice and ill-will. The writer has witnessed the indignation shown by Governor Dunne of Illinois, because of the complete failure of the judicial department of the state to cope with the foregoing conditions. Under the existing system the local machinery of justice breaks down, and its collapse serves to deprive the alien victim of rights which the citizen would be accorded under similar circumstances, and which a treaty has solemnly assured. This circumstance teaches a plain lesson, which has a distinct bearing upon the treatment of resident aliens generally throughout the United States, and upon the respect for treaties purporting to safeguard their lives and property. It proves that in as much as the local judicial system works injustice to the resident alien, and fails to protect him from violence to which he ought not to be subjected, he is entitled to different procedure and to different instrumentalities than are available to citizens of the state. The necessity of affording the alien some beneficial discrimination is not for the purpose of providing him with advantages unclaimed and not enjoyed by citizens, but simply to put within the reach of the former such measure of justice as is assured by treaty, and which state authorities both judicial and administrative are impotent to render. We are not unfamiliar with legislation discriminating in favor of aliens. Section 16 of article XVI of the Federal Judiciary Act provides, for example, that the United States district courts shall have jurisdiction "of all suits brought by any alien for a tort only in violation of the law of nations or of a treaty of the United States."<sup>1</sup>

Why should not the federal courts be given jurisdiction in criminal cases likewise, where the offense charged is the commission of violence against the person of an alien in contravention of a treaty? To quote President Taft, "We should not be obliged to refer those who complain of a breach of such an obligation to governors of states and county prosecutors to

<sup>1</sup> With reference to this act see Frederic R. Conclert in *Proceedings American Society of International Law*, vol. v, p. 196.

take up the procedure of vindicating the rights of aliens which have been violated on American soil." <sup>1</sup> Such legislation as a means of enabling the federal government to perform its contractual obligations has been urged by Presidents Harrison, McKinley and Roosevelt. President Taft, moreover, expressed the opinion that the federal government under the Constitution was not lacking in power to defend, and protect aliens, and to provide procedure for enforcing the rights given to them under American treaties. The purpose of the writer is not, however, to discuss the constitutionality of such legislation, but rather to point out the fact that unless Congress enacts such a law, there is no reason to hope that mob violence directed against aliens in our midst will cease to recur and to heap shame upon our institutions. We are familiar with a condition of affairs that can be dealt with only by one process. We must either resign ourselves to the sad but sure expectation of witnessing repeated defiance of our compacts described by the Constitution as the supreme law of the land, whenever passion and hatred of the resident alien assert themselves, or we must have the courage and tenacity of purpose to take the only alternative. An appropriate act of Congress cannot change the past, but it may spare us from future disgrace, and shield us from charges of a kind which no enlightened nation or individual can bear without chagrin.

State interference with American treaties may manifest itself in other ways. It may, for example, assume the form of legislation discriminating against the rights of aliens in defiance of agreement, or it may express itself in the definite unwillingness of state officials, administrative or judicial, to respect or give proper recognition to existing compacts. It is not believed that there prevails in any state of our Union a general desire to violate the treaties of the United States, and thus to defy our own Constitution as well as our international undertakings. It is well that the Constitution denounces the acts of a state and of its authorities in contravention of a treaty, and so precludes the possibility of a conflict between a treaty and a state law on equal terms. As the latter is, therefore, subordinate to the former, it only remains

<sup>1</sup> See Proceedings American Society of International Law, vol. iv, p. 44.

in theory to point out the conflict in order to nullify an illegal statute or an act of interference on the part of a local authority. In practice, however, difficulties arise, partly because of astonishing unfamiliarity with our fundamental law, and partly because of honest doubt whether a proposed enactment or a particular act of a state official does in fact violate any existing treaty. Such uncertainty of mind and the resulting diversity of opinion as to the correct interpretation of a treaty, are in many cases due to the vagueness of the provisions expressing the agreement of the contracting parties. As treaties are oftentimes the result of compromise, the diplomatic achievement of opposing plenipotentiaries may prove to be a sorry document, exhibiting neither clearness of thought nor precision of statement. For example, a convention of the United States purporting to clothe consular officers of the contracting parties with the right to administer the estates of countrymen dying intestate, has been deemed in certain quarters to confer a privilege of administration on consular officers superior to that of public administrators in any state. The latter have vigorously opposed the assertion. The highest tribunals in half a dozen states have been called upon to pass upon the controversy. They have generally decided it in favor of the state officials, and have had much reason for so doing, on account of the ambiguity of the treaty. The volume of litigation that has ensued, the substantial expense involved, and the confusion of thought manifested on every side, have all been the direct result of loose drafting. If there has been in this instance any state interference with an international obligation of the United States, it is attributable to the technical yet grave failure of both contracting parties to express clearly their actual design.

What the President and Senate have deemed to be a proper subject of international agreement has never been regarded otherwise by the Supreme Court of the United States. The test of propriety which has guided the federal government has been simply the desirability or need of the particular treaty concluded. Nevertheless, the trend of recent judicial opinion, manifest in decisions of state tribunals in consular cases, is to the effect that if a treaty of the United States is designed to regulate a



matter such as the administration of estates (said to be commonly committed to state law), and to restrict a normal privilege of state officials, that intention should be clearly expressed in language unmistakable. Such an attitude on the part of the courts emphasizes the importance of clearness of mind and exactness of expression on the part of those who negotiate treaties in behalf of the United States which purport to touch upon matters likely to affect the relations between the several states of the Union and aliens resident therein. The continued employment of uncertain phrases lending themselves to divergent interpretations is bound to produce narrow judicial construction of privileges conferred upon aliens, and to tend in consequence to arouse complaint from abroad. It is suggested that difficulty may frequently be avoided by direct reference in a treaty to those forms of state legislation or discrimination against nationals of the contracting parties which it is sought to prevent. Thus in a treaty with Italy concluded February 25, 1913, an article of an earlier convention of 1871 was replaced by a provision declaring that:

The citizens of each of the High Contracting Parties shall receive in the states and territories of the other the most constant security and protection for their persons and property and for their rights, including that form of protection granted by any state or national law which establishes a civil responsibility for injuries or for death caused by negligence or fault, and gives to relatives or heirs of the injured party a right of action, which right shall not be restricted on account of the nationality of said relatives or heirs.<sup>1</sup>

This treaty was for the purpose of protecting Italian subjects in the United States from adverse discrimination in the operation of state as well as federal compensation laws. Our government had the wisdom and courage by means of the convention to inform definitely every state legislature of certain legislation which it could not lawfully enact. It happened that about two years ago the lower branch of the legislature of a certain western state was about to endeavor to incorporate in its workmen's compensation law a discrimination against alien employees. About an hour before a vote was to be taken, the writer showed to the members of the committee in

<sup>1</sup> Charles's Treaties, p. 442.

charge of the bill the text of the compact with Italy. The chairman disavowed authorship of the discriminatory provision, pleaded ignorance of the treaty, and struck out the noxious clause upon the reading of the bill.

In the conclusion after the war of fresh treaties with numerous European states, the United States will doubtless find impressive the interest manifested by European governments in the protection of the persons and property rights of their nationals resident in America. Certain countries may be expected to show as great concern over the safety and welfare of such individuals as over any other subject of negotiation. The United States has every reason to respond generously and wisely. In so doing it will have occasion to accept provisions dealing directly with the relations between the states of the Union and aliens who in increasing numbers are to live within their domain. Our success in accomplishing this task depends upon the skill with which our government avoids the danger of encouraging subsequent local interference. The point to be observed is, that that danger does not necessarily depend upon the scope and breadth of privileges which it is reasonable and just to confer, but rather upon the absence of clearness and directness with which the text of the agreement brings home to state authorities those restrictions which the President and Senate deem it wise to impose. In a word, the danger to be avoided is loose drafting and confusion of thought. With these eliminated, state interference with our future treaties will be reduced to a minimum.

By way of conclusion, two general suggestions are submitted for your consideration. The first is, that for the prevention of offenses against the treaty rights of aliens in our midst, with respect to the protection of their persons and property, an act of Congress clothing the federal courts with appropriate jurisdiction is imperative. The second is, that we must undertake to draft our new treaties with a special view to frustrating, by their very terms, state legislative or administrative interference otherwise to be anticipated.

## DISCRIMINATION WITH REFERENCE TO CITIZENSHIP AND LAND OWNERSHIP <sup>1</sup>

TOYOKICHI IYENAGA

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**A**T the moment when the Great War is absorbing all the energies of the Allied Powers, and the Washington government is busily engaged in completing war measures, it bespeaks the farsightedness of the American people that they have already begun to formulate a fundamental foreign policy to be pursued in the new momentous era to be ushered in at the conclusion of the mighty conflict. In that program an American far-eastern policy will no doubt hold a place of first-rate importance, because upon it depends in a large measure the future of America and of the world at large.

Our subject, discrimination with reference to citizenship and land ownership, is as it stands so explicit that we might well wonder whether the affirmative will find any staunch advocate. The idea is revolting to an American sense of justice and equality, whose conception has been greatly deepened among Allied nations because of outrages committed during the present war by the nation that adores the doctrine of "might over right." Any act of discrimination merits, it seems to us at first thought, our unqualified condemnation. But as a matter of fact, the question cannot be so easily disposed of. In the first place, neither the California legislature nor the Washington government has ever admitted that the Webb law is a discriminatory act against the Japanese. By a subterfuge, or by a skillful diplomatic maneuver, the confession of discrimination has been warded off. Above all, the American people themselves have not yet pronounced their verdict on the matter. This undecided, doubting attitude of the American people calls forth our discussion today.

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.

At the outset, we must frankly admit that in the frail world we live in there are times and circumstances, in the relations between nations, when the putting into practice of a high ideal becomes only a farce, when expediency dictates to the nations concerned the wisdom of finding the best practical *modus vivendi* to regulate the smooth working of their intercourse. This is the reason why the "gentleman's agreement" is acquiesced in, why the Chinese exclusion act stands.

Further we cannot ignore the fact that there is such a marked difference in the kind and degree of culture and civilization which various nations have attained, that a uniform application of one set of abstract principles of international intercourse is often impracticable and undesirable. This is why the clause of extraterritoriality has place in international law. Otherwise, the principles of justice and equality would be rather upset than upheld. Justice is rendered to a nation when it is taken for its worth; true equality exists only among equals. Each nation must, therefore, stand upon its own merit, and it has no right to ask for other grace than that of liberty to strive by itself for further development.

In short, my contention is this, that a discussion on abstract principles of international conduct would lead to no practical result; that discrimination becomes unjustifiable only when color and geography, for which providence alone is responsible, are made the sole criterion of that discrimination; that there is no such unit as Asiatics, or Europeans, or North or South Americans; in other words, that a concrete case must be taken and made the basis for our consideration.

I propose, therefore, to speak within the fifteen minutes I have at my disposal purely from the Japanese standpoint, and have no thought whatever to pose as a champion of the Asiatic peoples or of the yellow race. With your permission, I wish to embrace this opportunity to lay a strong emphasis upon another point, namely, that I am not a mouthpiece of the Japanese government, as is often misrepresented in the American press. I have a right to protest against such a misrepresentation, for it is in effect a curtailment of the perfect liberty of speech which I enjoy. I dare say that not a few of my countrymen would

endorse the views I hold, but for these views I am solely responsible.

I am now in a position to state without fear of giving embarrassment to others my conviction that discrimination against the Japanese with reference to citizenship and land ownership is both unjust and unwise. In elucidating my point, I need not dwell upon the long negotiations conducted by the American and Japanese governments relative to the California land law. Nor need I refer to the act itself. The question of land ownership is only a part, not the vital part, of the fundamental problem. The local measure could hardly have attained the dignity of an international issue, were not the question which touched Japan's honor involved therein. You may well appreciate how a nation that has, by dint of energy and perseverance, raised itself from being a negligible influence in world politics half a century ago to the front rank of nations—a nation that after hard struggle won its complete political independence and full recognition of equality with great powers of the world—would feel toward the discrimination meted out to its own people residing in America.

Were Japan to insist upon the unrestricted immigration of her subjects into this country, then the wrong would be, I believe, on her side, for the introduction of a large number of Japanese laborers into your country would create many difficult problems, and introduce an element which even the most wonderfully assimilative power of the United States would find it hard to cope with. But it is not so. Japan fully appreciated that danger, and in 1907 voluntarily prohibited the further emigration of Japanese laborers to the United States. The "gentleman's agreement" has been and is most rigidly kept. You must therefore understand distinctly that the immigration question with Japan is closed.

The question under consideration is then restricted to this: What shall the United States do with her eighty thousands or so of Japanese residing in this country? Is it wise for America to leave them long as aliens who form no corporate part of the American system, and who are debarred from sharing not only the rights but the duties and functions of her citizenry?

Opinions may differ on this point according to the appraisal you make of the Japanese. It is no province of mine to pronounce any judgment upon that point. I may, however, be permitted to say that in my opinion the Japanese residents are neither better nor worse than most European immigrants, and one's pride of comradeship may perhaps be pardoned if I put them on a little higher plane than the average immigrant.

While we must recognize that there exists a marked difference in historical development, in race and religion, between the American and Japanese peoples, at the same time it is well for us to understand clearly that the essentials of civilization they have developed in the past are nowise dissimilar. American ideals are what the Japanese hold before their eyes. The virtues personified in Washington and Lincoln are what the Japanese are anxious to emulate. I can then see no reason why the Japanese will not be able to assimilate with the American system. The charge of non-assimilation often made against them is, I believe, unfair for the simple reason that you have not as yet given them a chance to demonstrate their assimilative power to its fullest extent. That the shortcomings and faults of the Japanese are many and lamentable, I would be the first to confess. And yet theirs are no inherent defects that baffle correction, but the same weaknesses and sins ordinary human beings are prone to.

A great doubt is, however, expressed as to whether the Japanese can ever be converted into genuine and patriotic Americans, because they are so intensely patriotic to their native country. On my part, I entertain no such doubt. My firm belief is that once a Japanese is admitted to American citizenship, he will be just as loyal to his adopted country as he now is to his native land, and will prove his faith even by his death. I assert this so confidently because I know the Japanese code of honor and loyalty. Even at the present moment, when they are denied the privileges of American citizenship, hundreds of resident Japanese are anxious to enroll in the American army and fight for the cause America stands for. This being impossible, they are showing keen interest in the work of the American Red Cross, and are contributing to it their quota,

small in amount though it be. This is a good proof that Japanese residents are identifying their interests with the welfare of this country.

I am not unaware of the great difficulties that lie in the way of your granting to Japanese the privilege of American citizenship. One is the too great concentration of the Japanese population in the state of California. Another is doubt as to what will be the decision of the Supreme Court of the United States upon the question, if a test case be brought before it. The third is a lack of knowledge and understanding of the Japanese among the American people. The Japanese must, on their part, do their best to make the presentation of your gift to them an easy and pleasant task.

Within the short time at my disposal only an outline of my thesis can be presented. There may be many ways to solve the vexed Japanese-American problem. The surest and most definite solution is, of course, the one we have been discussing. Another measure is complete authority given to the federal government to enforce treaties and to prohibit any of the states from violating them. The third is what is embodied in the bill recently introduced by Congressman Husted in the House of Representatives. The fourth is the plan formulated by Dr. Gulick. Still another is the federal legislation on protection and treatment of aliens advocated by Mr. Elihu Root.

It would be preposterous for a foreigner to pronounce any judgment on these measures, initiative of which rests in the hands of the American people.

In concluding, I wish to say that I have participated in to-day's discussion, on this rather delicate subject for me to discuss, with the conviction that one who has at heart the best interests of America and Japan would fail to fulfil his duty if he lacked the courage to speak out his views frankly.

## LAND OWNERSHIP BY ALIENS<sup>1</sup>

HANS VON KALTENBORN

Brooklyn Daily Eagle

A DIFFERENCE which has thus far proved irreconcilable has arisen between the United States and Japan out of the California anti-alien land law of 1913. The diplomatic correspondence on the subject ceased some time ago, but not until it had developed such sharp statements of conflicting views that both sides agreed to censor certain passages before making them public. On Japan's side the exchange of notes closed with the following definite statement which has very much the ring of an ultimatum: "What we further demand is a fundamental remedy which shall eliminate all racial incapacity for our nationals. . . . The Imperial Government is unable to acquiesce in the unjust and obnoxious discrimination complained of, or to regard the question as closed so long as the existing state of things is permitted to continue."

I shall examine first, California's right to pass an anti-alien land law; second, Japan's right to protest against this law; and third, the best means of reconciling the present conflict of opinion.

California's right to regulate the ownership of California land cannot be impeached. It is a right inherent in sovereignty, exercised by all states throughout all time, sanctified by law and custom, approved by all authorities. It was conceded by President Wilson in his appeal to the California legislature for a modification of the anti-alien land bill. He declared on April 19, 1913, that if the people of California deemed such a law necessary, they had a perfect right to frame one—and here I quote his words: "Along lines already followed in the laws

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., May 31, 1917.



of many of the other states, and of many foreign countries, including Japan herself."

Mr. Bryan arrived a few days later to remonstrate with those wicked California legislators who dared disturb the equanimity of a State Department which had just informed the interested world that until 1917 at least the United States could not be provoked into belligerency. May I suggest to the historians present that a study of the effects of this pacific 1913 pronouncement in the less-pacific chancelleries of Germany and Japan might form a valuable contribution to the cause of enduring peace? Those who say they are too proud to fight may soon learn that, after all, they are too proud to keep the peace.

After conference with California legislators and officials had shown Mr. Bryan that California's vital interests demanded the passage of an anti-alien land law, he made three proposals asking the Californians to co-operate with the administration in its effort to placate Japan to the extent of accepting at least one of the three. The Californians responded by framing a new bill which accepted all three and completely met the legal objections raised against former drafts. Mr. Bryan had suggested that the legislature delay action until a new treaty with Japan could be framed. This was made unnecessary by including in the bill a section which specifically guarantees to all aliens all property rights granted them by treaty.

Let me say here that there can be no question of a violation of Japan's treaty rights by any anti-alien land ownership laws of any state. The text of our treaty of commerce and navigation with Japan (of 1911) was framed by Japan herself in such a way as to exclude any reference to land ownership. And Japan omitted reference to land ownership because she herself does not allow aliens to hold land in Japan. But to this I will recur.

The second of Mr. Bryan's three suggestions was that California should enact a statute similar to that of the state of Illinois, under which an alien may not hold land for a period longer than six years. The California measure was therefore framed so that it confers on all aliens the right to hold agricultural land for a period of three years.

With his final suggestion, Mr. Bryan sought to eliminate from the proposed law the phrase which barred from land ownership all aliens "ineligible to citizenship." This phrase, he said, was particularly offensive to Japan since it was regarded as direct discrimination. He suggested as a way out that California follow the precedent of the District of Columbia, which by Act of Congress of March 3, 1887, enforces a general prohibition on all alien land ownership. Here, too, California responded to the State Department's suggestion.

The objectionable phrase, "ineligible to citizenship," was eliminated. In place of it, California's attorney-general, who framed the law, followed the tenor of the anti-alien land law of the state of Washington to which neither Japan nor any other country ever objected. This law specifically permits all aliens eligible to citizenship to own land. Such specific permission forms the first section of the much-maligned California law.

Thus this statute as framed with the co-operation of the State Department violates no treaty rights and incorporates no principle not to be found in one or more of something like sixteen anti-alien land laws which are still on the statute books of as many different states of the Union. A study of the censored correspondence relative to this law between the United States and Japan will show that the counsellor of the State Department not only justified the action of the California legislature, but did it so successfully that after several awkward parries the Japanese diplomats completely shifted their attack from the California anti-alien land law to the federal naturalization law which discriminates against all members of the brown or yellow race. Japan's final demand which I quoted a moment ago was for the elimination of all racial incapacity. It is evident, therefore, that the skilled diplomats of Japan are keeping alive the California issues and there can be no doubt that Japan's officials both here and in Tokio are deliberately keeping it alive—because they desire a general readjustment of the status, not only of the Japanese now in this country but of those who may come here in the future. When the people of the United States understand this truth, when they stop

abusing California or Idaho or Oregon or whatever state may happen to be passing anti-alien land laws, and turn to the root problems of Japanese immigration and naturalization, then and then only we shall progress toward an understanding with Japan.

Having answered affirmatively the first question, Did California have a right to pass an anti-alien land law, I should like to explain a little further Japan's discrimination against aliens in the matter of land holding; for surely if Japan bars Californians from owning land in Japan, it would seem no more than fair, apart from all legal considerations, that Californians should have the right to bar Japanese from owning land in California. Our State Department has a note from Baron Uchida, formerly Japanese ambassador in Washington, in which he reserves the right on behalf of the Japanese government to discriminate in land ownership against the citizens of any state which may pass anti-alien land laws. This note played an important part in the diplomatic duel between the United States and Japan over the California law, since it contained a definite admission by Japan of the principle of state sovereignty, as opposed to federal sovereignty, in the matter of land laws. Let me quote it:

In return for the rights of land ownership which are granted Japanese by the laws of the various states of the United States, and of which I may observe there are now about thirty, the Imperial Japanese Government will by liberal interpretation of the law be prepared to grant land ownership to American citizens from all these states, reserving for the future, the right of maintaining the condition of reciprocity with respect to the separate states.<sup>1</sup>

Through the mouth of her own ambassador, Japan here suggests a final solution of this land-law problem. She has formally reserved the right to maintain the condition of reciprocity in the rights of land ownership with respect to the citizens of the separate states of the United States. Let her exercise this right.

<sup>1</sup> This note is dated February 21, 1911.

By an imperial edict of 1874, which is still in effect, Japan positively prohibits the acquisition of land by any alien. There are ways of evading this law by leases or through corporations, but the prohibition stands. On April 13, 1910, Japan passed a law providing that resident aliens in whose state the Japanese may own land, may own land in Japan. In other words, it applies that exact condition of reciprocity which Baron Uchida reserved for Japan in his note to the State Department. Now it is a curious and perhaps significant fact that this law, passed in 1910, which would settle this entire land-law controversy by establishing reciprocal and compensating discriminations, has never been put into effect. No law becomes effective in Japan until it is proclaimed by imperial ordinance. This one has never been thus proclaimed. In response to a query the Japanese embassy recently explained that the law had not been proclaimed because it was "defective in several minor points," in the form in which it had been passed, and these defects had to be remedied. But seven years is a long time in which to remedy several minor defects. Perhaps it is the part of shrewd diplomacy for Japan not to remove by action of her own an alleged grievance against one of the United States in which she had the support of many well-meaning but misinformed Americans. Suppose the issue between the United States and Japan became identified in the public mind with the larger issues of oriental immigration and the question of granting citizenship to orientals? Suppose it were no longer a question of so-called arbitrary action by one of forty-eight states and instead concerned the exclusion from competition with Americans of a race which we cannot assimilate and whose standard of living is far beneath our own? Public opinion would soon rally to support the Californian as against the Japanese point of view. Moreover, in this exclusion policy the United States could point to South Africa, New Zealand, Australia, Canada, all peopled by the subjects of a country with which Japan has a formal offensive and defensive alliance, and every one of which discriminates against orientals. A Japanese student or traveler who may remain in the United States as long as he wishes, must leave Australia within twelve months of his arrival. The

Japanese who becomes a citizen under the laws of Canada is debarred from the citizen's right to vote by the law of British Columbia.

Let us persuade Japan to go into a conference on this whole matter with all the lands bordering the Pacific. Let us ask her, together with China and India, to meet the members of the white race who have lived in dread, foolishly perhaps, of the brown and yellow peril. Let us for once face frankly this burning question of the dividing line between the East and the West. Such a conference would remove some of the misapprehension which a race issue always creates. It would teach Japan that in the furtherance of all her legitimate aspirations she has no more true and loyal friend than these United States.

## RESIDENT ALIENS AND TREATY OBLIGATIONS DISCUSSION <sup>1</sup>

MR. SIDNEY L. GULICK: Many important points have been brought up in the discussion thus far, upon which I would fain spend considerable time, and yet in ten minutes it will be impossible to range over the whole breadth of the material which has been brought before us.

First let me speak with high commendation of that admirable paper dealing with the question of providing adequate protection for aliens in our country. In this connection I would like to call your attention to a pamphlet which you will find on the table in the registration room entitled, "To the President and Congress of the United States of America." It deals with the same problem, and shows how some of us have been quite solicitous with regard to the failure of Congress to pass the needed laws. Proper laws would make practically impossible such anti-Asiatic mob violence as we have had in the past. I trust you will get that document and look at it.

I should question Mr. von Kaltenborn's statement that no foreigner can secure land in Japan except by subterfuge. It is thirty years since I went to Japan, and I know that at the beginning that was certainly the case. But if you remember the history through which Japan has passed and also the extraordinary pressure of population there, is it strange that Japan should be solicitous about letting land rights go into the hands of the powerful, aggressive, wealthy peoples of other lands, a thing which might work to her own injury? Rigid restriction of ownership of land among the Japanese was quite natural. When the treaties were ratified, however, in 1899, and foreigners were given free range of life in Japan, privileges were also extended with regard to land ownership, or land holdings, perhaps I should better put it. All the pieces of land that were then held by mission boards in the names of

<sup>1</sup> At the morning session, May 31.

Japanese were gradually transferred to land-holding corporations formed in accordance with the new laws of Japan. Thus was done away that earlier method of holding land, which, nevertheless, I wish to state was perfectly well known to the Japanese authorities—that, namely, by the lending of names. Provision was also made for long-time leases known as “superfices,” whereby individual foreigners could own land. I am myself an owner of land in this sense. I have leased it for 999 years. I do not have the privilege of mining down into the ground and taking all the minerals that may be there, through to the center of the earth. If that privilege however should be granted in the course of 999 years, I may have it without the payment of an additional cent. I have paid for the leasing of that land in a single lump sum at the beginning, and I can transfer that lease to others. I contend that that is practical ownership.

Many statements with reference to Japanese dealings with occidentals are of a similarly faulty nature. They rest upon the experience, perhaps, of 1870, 1880 or 1890, and not of the period since 1900, when Japan entered into new relations, when she secured her revised treaties.

Mankind is entering into a new era of its history. This is a familiar thought, and it is natural that we should phrase this thought in the light of what is taking place in Europe, the frightful tragedy of a great world war. And yet there is no more important factor in the history upon which we are entering than the relations of the white and yellow races. For a hundred years we have been doing what we can to awaken those great nations of the Far East. “Asia is a sleeping lion; let her sleep, for when she wakes, she will shake the world,” Napoleon is reported to have said. We have not let her sleep; we have done everything we could to waken her, and she is awake. Japan discovered that the old policies were no longer practicable. Since 1868, when the new insight came to her leaders, Japan has been entering into the life of the world, with the utmost rapidity and insistence. She is determined that she shall not be found wanting in the competition, and if need be, in the struggle of the nations.

New Japan has been a mighty factor in the awakening of New China. What is the attitude of New China toward us today? She is looking to us perhaps more than is justifiable, not only for political help which she probably will not get, but for ideals, methods and education. Those she will get.

Now, it is saddening to think that while we have dealt with China splendidly over there across the Pacific, as we have also dealt with Japan splendidly over there, in dealing with Japanese and Chinese laborers in this country we have not been fair or friendly. We have not used those methods of treatment and applied those ideals which are calculated to send them back to their own lands as our friends. We have rather done the reverse. We are aware, most of us, that we have dealt with the Chinese far worse than with the Japanese. I think it is a fair question whether the California anti-alien land law is a contravention of the treaty with Japan, but there is no question whatever that our laws, passed by Congress, have invaded the treaties with China.

To my mind the great problem which confronts the United States in its relations with the Far East is not so much its relations with Japan, as its relations with China. What is to happen in the decades ahead? Unless we revise our treatment of the Chinese in this country, and give them the treatment we have promised, unless we give them the equal protection of life and property which we give to the peoples of other countries, the day will not be far distant, perhaps only two or three decades ahead, when China will begin to demand of us the observance of treaty rights, and the giving of these privileges for which Japan is now asking.

In this connection may I refer you to the pamphlet, "Asia's Appeal to America"? It gives the terms of the treaties with China, and points out the invasions of those treaties, and the consequences which are likely to come. I would also call your attention to the pamphlet "A Comprehensive Immigration Policy and Program." It presents a plan for dealing with the whole question of immigration. It advocates restriction of immigration, the education of immigrants here under federal supervision, and the giving of citizenship to all who qualify.



I wish to dwell for a moment on this last point. I feel that the world has advanced so far that discrimination with regard to the giving of citizenship to those who qualify is no longer desirable. Mankind has entered into a great new era of its history. The old geographical barriers, the oceans and mountains in consequence of which the separate races and civilizations have come into existence, have broken down. The world today is very small. It is because the world has become so small and because mankind has succeeded in getting such a hold upon the gigantic forces of nature, that the great tragedy of Europe is taking place. We are able in a few weeks to send tens of thousands of soldiers across the sea to take part in the great world conflict.

This fact is becoming increasingly clear: The first contact of great peoples as a rule takes place through the inferior element of each side. I do not like to call them bad men, but the relatively irresponsible, the relatively undeveloped of each side are the ones who first make contact with the others—sailors, small traders, adventurers and the like. Hence has come to a large degree their mutual ill-will and misunderstandings. The reason why we think so ill of the Japanese and the Chinese is very largely because of the immigrants who came to us from them; and the reason why they have thought so ill of us is because of the character of many of the people who went to their lands in the early days. The reason why South America has thought ill of North America is largely because of the character of many who went there.

That period, however, is passing. We are coming to see that every great people possesses a large body of noble-minded men and women who have ideals, and the desire to make life noble and worth while. Each great religion has thought of itself as the religion of the world, and of the others as false. We are beginning to see that that is absolutely untrue, that in every religion there is a great body of truth and nobility which we should respect.

The point, however, which I wish to emphasize is this: The law of the United States, which settled the question of citizenship in 1790, and limited citizenship to free white men,

was established before we had this modern understanding of the nature and relations of races. Its object moreover was to prevent slaves and Indians from becoming citizens. In 1873 the law was changed to include men of African birth and African descent. Up to 1906 that law was interpreted liberally. Hungarians and Finns, Turks, Armenians and Syrians are given citizenship. Even Hindus in California are being naturalized. But since 1906, by a special order of the State Department, our courts have been instructed to enforce the law of naturalization strictly. But even since that date the courts have interpreted the law liberally with regard to all the others, including Mexicans, but strictly with regard to the Japanese. A special law was enacted in 1882, you will recall, with regard to the Chinese.

We have come into a new era in the relations of the great races. We have got to learn to live together. We can do this only on a basis of honorable relations and equal treatment. I believe in the restriction of all immigration on a common principle. I also believe that those whom we allow to come and to stay should be given every privilege, including that of citizenship, if they will properly qualify. We should say to them, "If you will become a loyal citizen, will support our democratic institutions, live in harmony with our people, and co-operate with us in making democracy a success, then we will give you the privileges of citizenship." These are the things for which I contend.

MR. LYNN HELL, Los Angeles, California: I have been much interested in the discussion this morning, especially in view of the fact that I have been very friendly in California with both Japanese and Chinese, my associations with them having been more than agreeable. I want to speak with reference to the prevention of states passing laws that are discriminatory and violative of treaties. The prevention of such action will operate to prevent future disagreements between this country and otherwise friendly foreign nations.

There is no doubt that any such legislation which is in violation of the terms of a treaty, is void. A treaty, when adopted, becomes a part of the supreme laws of the land, and any law passed by legislative bodies in violation of such a treaty, is void.

There has been for some time a federal law that in a proper proceeding the district court of the United States, composed of at least one circuit judge and two district judges or circuit judges, can declare a state law unconstitutional, or in violation of a treaty. Thus, when Arizona passed a law prohibiting the employment of aliens in the mines of that state, intending thereby to prevent the employment of Mexicans and other foreigners, three of the federal judges of the United States, sitting in the United States district court in Arizona, declared the law unconstitutional and void.

It is a principle of equity jurisprudence that equity will enjoin the enforcement by criminal process of an invalid law or ordinance where property rights are involved.

Thus, there is a remedy provided for the annulment of state laws which affect aliens, and are in violation of existing treaties. But more often the evil existing is the threatened adoption of such laws. The mischief is done by the threatened passage by the state legislature of such laws. These laws may affect a treaty between the United States and a foreign country, giving the citizens of a foreign country the right of any most-favored nation, and the passage of a law in violation of such a treaty might probably involve this nation in a war with such foreign country.

It has occurred to me that there should be an act of Congress under which the district court of the United States, or even the Supreme Court of the United States, might be enabled to prevent the enactment of legislation that would in the end be declared void, as being in violation of treaties or the Constitution of the United States. Such preventive regulation would avoid troubles that we have had in the past with reference to discriminatory legislation by the several states. It is only with the greatest difficulty that such legislation has been prevented by the administration at Washington.

This is illustrated by the attempted passage in the state of California of laws to exclude the children of Japanese from the public schools of California. Alien land laws have been adopted by the legislature of the state of California, and recently alien land laws were introduced in the legislatures of Idaho and Oregon, aimed at Japanese ownership of lands, and it was only because of the influence of the senators of the United States and the representations of the authorities at Washington at the time of the severance of our relations with the government of Germany, that these bills were withdrawn.

Now, if a law could be enacted by Congress, giving to the attorney general of the United States, familiar with the laws and treaties of the United States, power to invoke the aid of the United States courts in the beginning, at the time of the introduction of such alien bills in the legislatures of the several states, when the danger is threatened, we would be able to find out, and probably satisfy foreign nations, before its passage or adoption, whether a proposed law was in violation of a treaty or the Constitution of the United States. The purpose would be somewhat similar to the purpose of a similar law actually in effect in the state of Massachusetts. In that state, when legislation is proposed, and it is desired to determine in advance whether or not it will be constitutional, it can be submitted to the supreme court of Massachusetts for an opinion. Similarly, by application of the attorney general of the United States, to the United States courts, either in the district court, with three judges sitting, one of whom should be a circuit judge, or in the Supreme Court of the United States, against the state or its authorities, to enjoin the enactment of such a law, we would avoid the danger of conflict between the United States and foreign nations, that may now arise out of the desire on the part of certain persons to pass laws in the various states, calculated to create friction between ourselves and such foreign nations.

There is nothing novel in this, for equity can and will restrain a threatened wrong or injury which may be inflicted, especially where property rights are involved. Moreover, the power to make treaties being vested in the president and Senate of the United States, the power to make the treaty impliedly carries with it the power to enforce the treaty obligations. The right to bring this suit, therefore, should be given only to the attorney general of the United States, who would be most familiar with the treaty relations between the United States and foreign nations, and as a member of the cabinet of the president would know the necessity of such extraordinary action.

HON. HENRY ST. GEORGE TUCKER, Lexington, Va.: Five minutes is a short time in which to answer the able and scholarly papers of Dean Hall and Professor Hyde. Dean Hall in his paper generally sustains Butler, Corwin and others in the doctrine of an unlimited treaty-making power. I find myself quite unable to agree with that proposition, and elsewhere I have sought to controvert it.<sup>1</sup> Dean Hall, as others of his school, reads Article II, section 2, as follows:

<sup>1</sup> Limitations on the Treaty-Making Power by H. St. George Tucker, Little, Brown Company, Boston.

"All treaties made or which shall be made shall be the supreme law of the land, and the judges in every State shall be bound thereby," etc., whereas Article II, section 2 of the Constitution reads: "This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding." It will be observed in this article that "this Constitution" is placed first, "the laws of the United States which shall be made in pursuance thereof" second, and "all treaties made" etc., is placed after the other two. This clause does not single out the treaty-making power alone as supreme, but in the same language in which supremacy is given to the treaty-making power, supremacy is given to the Constitution and the laws of the United States which "shall be made in pursuance thereof" and if the location of each in the sentence is to be reckoned according to its importance, the first "this Constitution" and second, the "laws made in pursuance thereof" would be prior in dignity to treaties. Is the law of Congress to be held unconstitutional because not in pursuance of the Constitution, and the treaty to be declared free from such restrictions when it is declared that they must be made "under the authority of the United States"? Dean Hall's position, I respectfully submit, is not upheld by the decisions of the Supreme Court. That court in my judgment has never held that a treaty annuls the law of a state, though some judges of that court have, in dicta, asserted that principle.<sup>1</sup>

I think no case can be shown in which the issue as made by the pleadings between a treaty and the laws of a state contrary to it has been decided declaring that the treaty nullified the state law.<sup>2</sup>

I do not hold that every law of a state in contravention of a treaty must stand against a treaty. Far from it. But those laws which represent the essential duties of a state, though contrary to provisions of existing treaties, have been upheld<sup>3</sup>

Let me illustrate my meaning of the limitations of a treaty by

<sup>1</sup> *Ware v. Hylton*, 3 Dal. 199; *Geoffroy v. Riggs*, 133 U. S. 270.

<sup>2</sup> *Tucker's Limitations of the Treaty Making Power*, pp. 143, 173, 284, *et seq.*

<sup>3</sup> *Rocca v. Thompson*, 232 U. S. 318; *Patsone v. Pennsylvania*, 232 U. S. 142; *Compagnie Francaise v. State Board of Health*, 186 U. S. 380; *Heim v. McCall*, 239 U. S.

a state law: Suppose a treaty made by the United States with France, in which France gives the citizens of the United States a right to do business of any sort in France at wholesale or retail, and reciprocally the same rights are granted a Frenchman in America.

I live in the little village of Lexington in the state of Virginia; recently we have come to live under the enlightening influences of a rigid prohibition law. Suppose a Frenchman should come to Lexington and open a bar room. This the law of Virginia prohibits, but the supposed treaty with France permits. The Frenchman is at once brought before the judge for violating the law of Virginia. This he laughs at and says, "I have opened my bar room under the treaty between the United States and France, which Dean Hall declares annuls the state laws which controvert it." The judge of the court admits his plea as valid, and allows the bar room to remain. I as a citizen of Lexington, owning property there, paying taxes there, having sons who are in the army of the United States or attempting to enlist in it in defense of their country, find the Frenchman's business so profitable that I determine to open a bar room myself. Promptly I am taken before the judge and equally promptly I am lodged in the county jail for violating the law of Virginia. At least I have the solace of seeing my friends going daily into the Frenchman's bar room for refreshments. Can these things be? Was such interpretation intended by the framers of the Constitution of this treaty power? The case of *Compagnie Francaise v. Board of Health*, *supra*, illustrates my position fairly.

A French vessel with four hundred immigrants on it, came up the Mississippi River to New Orleans. There was yellow fever in New Orleans, and Louisiana had declared by law a quarantine against any city of the state infected with yellow fever. The quarantine officers stopped the ship, but the captain claimed his right to proceed under a treaty between the United States and France. This brought up what seemed to be a direct conflict between the treaty and the law. The Supreme Court sustained the law of Louisiana. Two justices dissented, Harlan and Brown, holding that the case was a direct conflict between the law of Louisiana and the treaty, and that when such was the case the treaty must prevail. The court in its decision did not hold that the law of Louisiana annulled the treaty, but Judge White in rendering the opinion of the court said, "The treaty was made subject to the enactment of such health laws as the local conditions might evoke, not paramount to them." The treaty provided that

a vessel arrived at a port of the United States with a bill of health granted by an officer having competent power to that effect at the port whence such vessel shall have sailed, setting forth that no malignant or contagious diseases prevailed at that port, shall be subjected to no other quarantine than such as may be necessary for the visit of the health officer of the port where such vessels shall have arrived, after such said vessels shall be allowed immediately to enter and unload their cargo.

Of course the law and this treaty were in conflict, for the vessel showed a clean bill of health, but Judge White said that there was no conflict because the treaty was made subject to the enactment of a quarantine law by Louisiana. If the treaty was subject to the enactment of such a law, clearly it was not superior to that law.<sup>1</sup>

MR. ALBERT SHAW: It is not my purpose, in speaking for a few moments upon the subject of our relations with the great peoples who are our neighbors across the Pacific, to enter the field of discussion in a legal or technical way. I have listened with interest to the presentations that have been made touching upon such specific topics as land tenure by aliens and the treaty-making power as limited by the American Constitution and the nature of our federal union. There are broader questions than these lying at the base of national tendency, and it is in the light of the fundamental problems that the particular issues must be considered if their solutions are to be valuable and permanent.

It is upon one or two aspects of the broader questions that I should like to speak. It is a very hopeful thing that we are developing a wider mental vision in the United States regarding all matters of international relationship. It is this growth of vision and understanding that is to enable us, I believe, to maintain harmonious relations with Japan and China.

It has become necessary, in order not to do ourselves and our past history an injustice, to hold it clearly in mind as we look back over a period of a little more than a century that our chief business has been the definite creation of nationality. Partly through express direction and leadership, and partly through irresistible impulses, we have been trying to make a homogeneous American people—that is to say, a great nation having common habits of speech and thought and well blended as respects political and economic capacities and the things that go to make social solidarity. In brief, we have been trying to make a unified American people, precisely as the Germans,

<sup>1</sup> See Tucker's *Limitations on the Treaty Making Power*, p. 314.

French, English and Italians have been making their distinct nations, and just as Japan and China have evolved their own racial and national types through a long experience of guarded seclusion.

Our American history is very short, and we are as yet scarcely able to see it in perspective. I believe that future historians will see that in the process of making this new American nationality the two most important things thus far have been the abolition of the slave trade in 1808 and the arbitrary restrictions of Chinese immigration dating from about 1870. I am far from speaking with prejudice against any race, and am merely calling attention to two extremely important turning-points in the making of a homogeneous nationality.

The Negro problem was not, in the permanent sense, one of slavery but one of immigration. Populations brought here were destined to remain, and the problems resulting from unwise immigration were to be permanent whereas those of slavery were transient in their nature. If we had not enacted the law abolishing the slave trade in 1808, the enormous demand for labor in the cotton fields in the decades after the introduction of the cotton gin, about 1820, would have brought about an irresistible activity in the nefarious trade and made its abolition impossible. We should have imported so many Negro men and women against their will that the present conditions in a large part of the United States, due to the presence of two races that do not blend, would be far more difficult than it now is. There was much violation of the law of 1808, and many thousands of slaves were smuggled in, previous to the Civil War. But this influx was negligible when compared with what would have happened if the policy provided for in the Constitution and put into effect twenty years later had not existed as one of the fixed American decisions.

The second great landmark in American history, from the standpoint of the unifying of our nationality, was the decision—after the most thorough and deliberate debates at Washington—to avoid the creation of a race problem between the Pacific Coast and the Rocky Mountains that might be even more difficult to deal with than the problem south of Mason and Dixon's line. The restriction of Chinese immigration, now almost fifty years ago, has not been associated by most of our historical writers with the decision that preceded it by two generations. But if one is thinking of the evolution of our predominant form of Americanism, these are probably the two most essential and determining things in the first century of American independence.

I am inclined to think that if we had appreciated more truly the



nature of the problem of African immigration, we should have been able to deal more successfully with the solution of the slavery issues, while also employing domestic policies that would have been far more just and useful to both races in the South during many decades past. Our duty to the American citizens of African origin who are here by reason of the forced immigration of their ancestors is clear. As respects the subsequent admission of African aliens from the West Indies and elsewhere, I am inclined to think we have not dealt with the problem on its merits. I say this not to lead you away from our topic, which has to do with the Far East, but to suggest an analogy that assists in establishing the basis of study and discussion.

I have never had any doubts as to the wisdom of the general policy of restricting the immigration of oriental laborers to our Pacific Coast states. There may come a time in the future when there will be reasons for a considerable modification of this policy. But the American pioneers were creating their industrial as well as their political institutions in the new states west of the Rockies, and they were trying to induce as large a movement of white immigration as possible. I have always been of the opinion that they should be allowed, for the best interests of this nation—and for its ultimate relationships with China, Japan, and the Far East—to develop their social institutions as nearly as might be upon the fashion of those of the older parts of our American Union.

Happily for the best welfare of all concerned, history stands upon the foundations that have been laid for it; and the questions at issue regarding the bringing of masses of labor from China and Japan have been settled by common acceptance and agreement. The leading minds of Japan do not fail to understand the American point of view, and the same thing is true of China. It has been our experience in dealing with the governments and peoples of Japan and China that they keep their word with us, that they are honorable, that their friendship has been worth having and holding.

Let me repeat, then, that the Chinese government has accepted in good faith our view of the desirability for the present of building up our Pacific Coast states upon economic and social principles similar to those of the rest of our country. At a later period American employers under the ordinary laws of supply and demand affecting the labor market, began to bring in great numbers of Japanese working people, who, like those from China, were desirable because of their great skill and industry. The Japanese government, in its turn, accepted the views of public policy respecting coolie labor,

so called, that were entertained at Washington. In the period of those negotiations conducted for us by President Roosevelt and Secretary Root, the government of Japan agreed to control the tides of Japanese migration in such a way as to prevent that which was regarded in the United States as undesirable.

This agreement on the part of the Japanese government has been steadfastly maintained, and has, in my opinion, been ample in every way. I am confident that we may safely repose trust in the policy of the government of Japan, and in the policy of the government of China, in respect to what upon the whole is undoubtedly the desire of this country—namely, the further continuance of our policy of developing a homogeneous white race.

Dr. Iyenaga, with his habitual reasonableness of mind, has long respected this American point of view, and he has just now stated it for us again in a way that shows Japan's consideration for America's opinions and objects. I have not been able to discover anything, as I have been listening to Dr. Iyenaga's address, with which I am not in substantial agreement. Not only his general point of view, but his particular suggestions, seem to me in keeping with justice and right solutions. I believe that we can afford to be wholly generous and cordial in our relations of all kinds with both Japan and China.

I have one more word to say in conclusion: Our attitude should be more positive and hospitable as respects the coming here of educated men and women from Japan and China. We should not merely tolerate the scholars, the travelers, the merchants and the men of affairs from those countries, but should extend to them a friendly welcome and should see that they are never subjected to the slightest indignity or discriminatory treatment by the lower order of custom officials or others who, in their zeal to keep out oriental laborers, are so ignorant and prejudiced that they are sometimes offensive to persons whose legal right to come here is precisely the same as our legal right to visit Japan and China.

There are also reforms to be made in the details of arrangements for bringing Chinese students here, in accordance with the plans consequent upon our remission to China of our share of the excess indemnity which had been unjustly exacted after the Boxer troubles. We should encourage students, both Chinese and Japanese, and should see that plans for bringing them to our colleges, universities, and technical schools are carried out in a generous way and not as hitherto in ways that are to some extent obstructive and embarrassing.

MR. A. B. FARQUHAR, York, Pennsylvania: I have always taken a deep interest in those wonderful ancient civilizations of Japan and China. I have known the people for sixty years and our firm has traded with them for nearly fifty years. The Japanese are unusually bright, attractive and satisfactory customers. The Chinese have a world-wide reputation for honesty. You may always rely upon their word. Could not the whole problem be solved by following the precepts of the great Nazarene Philosopher of nineteen centuries ago, recognizing the common brotherhood of man? I think if the experiment of Christianity were given a fair trial, the whole question would be solved. We should have no difficulty at all, I believe, in assimilating a reasonable number of Chinese and Japanese in the great melting pot of this country, just as we have assimilated vast numbers of southeastern Europeans that are not equal in intelligence or enlightenment to either of those great peoples.

Japan has not forgotten that it was America that introduced her to the world. She has always wished our friendship and that she has deserved it may be proved by the thousands of visitors to that charming island.

We have not kept faith with the Japanese. It was understood that if Japan would stop the emigration of laborers that the Japanese now residing in this country should have the same consideration afforded other foreigners. Power should be given the executive to enforce treaties, and such difficulties as we have had with Italy over the Mafia in New Orleans and now with Japan would be avoided.

PROFESSOR STANLEY K. HORNBECK: There is one aspect of this question which has not been touched upon, at least not in any detail, namely, to whom is the question as presented in California a vital question? I have failed so far to discover that the question of holding land in California is of vital consequence to the Japanese people; or indeed that the matter of admission to American citizenship is of vital consequence.

There are, as Dr. Iyenaga has suggested, some eighty thousand Japanese in this country. The position of the individuals who make up this group is of vital consequence to themselves, and with them we should endeavor to deal in proper fashion; but to the Japanese as a nation, what vital consideration is involved in the question whether these few shall have the right to own land in California? That is a question of privilege rather than a question of rights.

As regards the people of California, it is vital that they be satisfied as to the conditions of life under which they find themselves. As to whether the people of California are being reasonable, as to whether they are acting as they should, I would not undertake to say. I would not even undertake to say whether the majority of the people of California do or do not favor the present discriminatory legislation. But I do contend that the Californians have a vital interest in determining for themselves through their governmental machinery what conditions of life they wish to have for themselves, and that as between the United States and Japan, our first concern should be with the wishes of the people of one or several of our own states.

In considering what our government may and what it should do in the making and interpretation of treaties, we need also to consider the principle upon which our federal union is founded: that we will allow the people of a state, so far as compatible with the interests of the group as a whole, to determine the condition of their lives.

MISS LILLIAN D. WALD: I want to remind you that Mr. von Kaltenborn in his paper suggested a practical method to clear the way. He proposed that a commission be appointed for the purpose of acquainting us with the true interests of the Japanese and the Chinese, and of the problems debated today. This commission would not only acquaint us with the interests and the problems of the East, but would in turn inevitably acquaint the Orient with our own problems and interests. If we do not take up the study of these seriously, we may miss an opportunity to avoid trouble in the future. Sympathetic study and research by the kind of committee that Mr. von Kaltenborn doubtless has in mind, could not fail to bring us nearer to understanding each other. Now is the time for responsible, sympathetic interpreters of the races, both the eastern and the western. We need more light, and understanding will follow.

MR. FABIAN FRANKLIN: The substance of Professor Hornbeck's remarks, was this: To the eighty thousand Japanese in California, it is important how they live and what privileges they have, but to the people of Japan it is not very important. On the other hand, the people of California feel that the question is important to Californians. I think I am not doing injustice to the speaker, in quoting him as virtually admitting that the question is not whether it really is of importance to Californians, but whether they think it is. Most

of us at a distance cannot feel that it really is of great importance. The point in the speaker's mind, however, was, I think, that since the people of California feel that it is of importance, it is of importance, and therefore we should let them have their way.

But suppose the people of Japan likewise feel it of great importance to them that the Japanese in California shall not be subjected to indignity. Whether it really is of importance to them or not, suppose the people of Japan feel it important that these eighty thousand shall have certain privileges and rights in California. Suppose they feel it important that they are discriminated against as compared with others—that point of discrimination, by the way, was much submerged in the remarks of Mr. von Kaltenborn—then what follows? The state of mind of the Japanese is a fact, quite as much as the state of mind of the Californians. If we are to be safe in our national and international position, it is for the government of the United States to decide as between those two. Because the people of California think they have a grievance, and choose to take such a course regarding it as may involve the nation in most serious difficulties with another country, shall we say that the federal government can do nothing about it? That would be an impotent conclusion.

A number of difficult legal questions have been brought up in the papers of the morning. To meet those difficulties will require much time as well as much thought, but a large part of the trouble might be disposed of by some such measure as that proposed by Mr. Husted of this state, in a bill that he has introduced in Congress. The bill proposes that no state shall have power to enact legislation discriminatory among aliens—not against aliens, but among aliens. Some such legislation should be enacted. The United States ought not to be at the mercy of any state that may take the notion to pass legislation against a particular nation, and thereby bring our whole country into trouble.

MR. VON KALTENBORN: The fact of discrimination as among aliens was submerged in my paper only because of time limitations. It was certainly not due to intention, because I intended to point out this special fact as essential: To remove the point of this dispute, we must realize that the discrimination complained of in the California statute is not a discrimination peculiar to California or applying only to the Japanese. It is a discrimination inherent in the naturalization law of the United States. Our naturalization law discriminates against seven hundred million brown and yellow people.

Now, if we can transfer the dispute from the sharp point which it has reached in a single American state to the larger field of national consideration, then following out my suggestion for a Pacific conference, to an international consideration joined by all countries which are thus discriminating—and every white man's country on the Pacific is discriminating—then by such a conference—a conference which will represent India and China as well as Japan—which will lack the acrimony of localized discussions, we shall approach a solution of this grave issue.

MR. FABIAN FRANKLIN: I do not wish to be put down as unfriendly to the suggestion of a conference, but I very much wish that the point I made might remain in the minds of those here present. What Mr. von Kaltenborn proposes will be but the beginning of a tremendous problem which may take years. Here is a single thing which can be done, and which *pro tanto* will improve the situation. We should not allow any one state to complicate the problem of discriminating or not discriminating, whatever it may be; and that is an object which can be speedily attained by the passing of an act of Congress ten lines in length.

DR. IYENAGA: I want to correct a misrepresentation of fact. There are not eighty thousand Japanese residing in California alone, as some speakers have said. There may be about sixty thousand in California. Eighty thousand is the whole number of Japanese residing in the United States, with its one hundred million population. Even among the eighty thousand perhaps twenty thousands are transients. The number also includes, of course, women and children, so that the number of those who are likely to apply for naturalization papers is insignificant compared to the one hundred millions of the American population. I cannot see why the United States would not be able to assimilate that insignificant number.

MR. MA SOO, New York: I fail to see the utility of the commission suggested by Mr. von Kaltenborn. If you assume that the Chinese or the Japanese are lacking in assimilability, what is the use of having a commission? If your aim is to convince the Japanese or the Chinese that they are incapable of living the life of the white man, then the Chinese or the Japanese, being self-respecting people, will have no part in such a commission.

JUDGE P. W. MELDRIM, Savannah, Georgia: The statement that each American state has the right to enact laws for the government of its own territory cannot be questioned. We ought to understand the matter clearly, and state the issue fairly. Each American state is sovereign, and has the absolute right to enact laws determining the tenure by which realty in that state is held.

I rose, however, simply to express the thought that we ought, in a spirit of kindness, but none the less with firmness, to declare that the principle just announced, is well settled; and that this declaration should be made without our being deterred from making it by any threat or fear of consequence.

PROFESSOR HORNBECK: After all, grant that there is prejudice involved in this matter, and that there the issue in California and other western states lies. I regret the existence of race prejudice, but the prejudice exists. Dr. Iyenaga's correction of my statement as to the location of the eighty thousand Japanese in the country only emphasizes my point: Land ownership in California is a matter of vital concern to only a handful of Japanese; but it is a matter of vital concern to the whole group of Californians that they themselves shall be satisfied as to their environment. The first consideration with us should be what conditions of life are going to be satisfactory to our own people—so long as we do not injure others. Peace of mind is as vital to satisfaction as is economic well-being.

Our legislation, both federal and state, withholds certain privileges from natives of some countries; it does not deprive them of right. If this legislation is unwise, its amendment should be brought about by a process of education and persuasion, not by coercion.

MR. SIDNEY L. GULICK: Mr. Chairman, may I add an item of information which I think will be of interest? There were in this country in 1910, 1358 naturalized Chinese and 483 Chinese who had taken out their first papers. There were also 420 naturalized Japanese and 387 Japanese who had taken out their first papers. The stringent interpretation and application of these laws which we have on our books began in 1906. That stringency was not required by an act of Congress, but by an interpretation of the law by the Bureau of Naturalization.

PROFESSOR HALL: It is absolutely impossible that there should

have been any naturalized Japanese or Chinese at the date specified. The federal laws have never permitted the naturalization of either Chinese or Japanese. There may have been a certain number of Chinese and Japanese citizens born in this country, but they were not naturalized citizens.

MR. GULICK: I can give you the page and number of the census showing that. (Census of 1910, vol. i, p. 1070).

PROF. HALL: I shall have to stand on my statement that the census is in error in reporting any naturalized Chinese or Japanese citizens. Their naturalization has never been permitted by the federal laws, and, while it is quite possible that ignorant state minor officials have issued papers to them in a few cases, such action, being in violation of law, could confer no rights upon the recipients, who did not thereby become citizens.

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INVESTMENTS AND CONCESSIONS AS  
CAUSES OF INTERNATIONAL  
CONFLICT



## DOLLAR DIPLOMACY AND IMPERIALISM <sup>1</sup>

FREDERIC C. HOWE

Commissioner of Immigration, Port of New York

THE European war has changed the United States from a debtor to a creditor nation. We are lending billions to the Allies, not only by the government directly but through the great banking institutions at Wall Street as well. Even prior to our entrance into the war economic forces were driving us into the imperialism of finance which has proved so disastrous to all of the greater powers of Europe. We were lending money in large sums to Central and South America. Our concession seekers were uniting with those of Europe in the exploitation of Mexico. High finance had penetrated into China and was securing concessions for the building of railroads and canals, while our New York banks were opening branches in South America and elsewhere as agencies for the promotion of their interests.

Efforts have been made to identify the government and especially the State Department with dollar diplomacy ever since the refusal of President Wilson to lend the support of this government to the Chinese six-power loan of 1913. The attitude which our government should take to concession seekers and investors in weaker countries, was widely discussed during the last presidential campaign, while the press and especially the publicity agencies of Wall Street have been filled with inspired articles insisting that this country must adopt the diplomatic policies and grant the same kind of protection that investors and concession seekers of England, France and Germany enjoy.

The entrance of the United States into the war has altered the situation somewhat. But with the ending of the war and the competition for foreign investments which will ensue

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at the Chamber of Commerce, New York, June 1, 1917.

the whole question of financial imperialism will be upon us demanding an official declaration of policy.

Dollar diplomacy or financial imperialism is not to be confused with international trade or international banking. For trade is a function of the commercial rather than the banking classes. It differs in no essential from domestic trade except that it is carried on across national boundaries. And international banking is but an agency of international trade. The new movement, which began in this country in a small way twenty years ago, is an activity of finance rather than of trade. It is carried on by great banking houses, chiefly those in New York. It consists in the loaning of money to weak nations or to revolutionary governments; in the building of railroads, canals and public-utility enterprises; and in the development of mines, plantations and other resources. Only incidentally does trade or commerce enter into the program of imperialistic finance. Closely allied with the lending of money and the securing of concessions is the sale of munitions, which in all the great powers has been carried on under the joint protection of the government and the great banking and exploiting houses.

Financial imperialism had its origin in all countries in surplus wealth seeking foreign investment. As the rates of interest fell in England, France, Germany, Holland and Belgium, the accumulated capital of those countries sought investment in countries needing investment. It flowed into Africa, the Balkans, Turkey, South and Central America, and China, where banking was under the control of the great banking institutions of Europe. For many years England and France were almost the only lending and development countries.

The movement for imperialistic finance had its origin in Egypt, into which country Great Britain and France poured large sums of money from 1870 to 1885. It began with the purchase of the control of the Suez Canal by Disraeli in 1875, and during the next fifteen years nearly \$450,000,000 was loaned to Khedive Ismail, a spendthrift prince who contracted colossal debts for his private expenses and for public enterprises. European contractors overcharged the Khedive from eighty to forty per cent on construction work, and his creditors

sometimes got as much as twenty-five per cent on their loans. Of a single loan of \$160,000,000 in 1873 only \$100,000,000 ever reached the exchequer. In a few years' time \$450,000,000 of English and French money was poured into Egypt. The interest rates were usurious. The Egyptians were taxed to the limit of their capacity to pay. Internal troubles traceable to excessive taxation threatened the payment of interest, and the loan seemed insecure. English and French officials intervened in the local administration, and finally, in 1882, ships were sent to Alexandria, and the English occupation began.

This was the beginning of financial imperialism on a large scale, and the division of the earth among the great creditor nations. France was later crowded out of Egypt and turned west to Tunis and Morocco. Tunis lost her independence, and French, English and German interests turned their attention to Morocco as a rich field for investment. The Morocco Incident, which nearly precipitated war in 1911, was primarily traceable to the conflict of bankers and concession seekers of these nations in that country. The Sultan, who was a weak and spendthrift prince, was induced to borrow colossal sums upon which he paid usurious interest. In seven years' time the indebtedness of the country was increased from \$4,000,000 to \$32,500,000. On this loan extortionate commissions were charged; while the bonds were taken at a very low rate. The customs revenues were passed into foreign hands to meet the interest demands, and the internal taxes imposed upon the natives to satisfy creditors and to meet local necessities led to disaffection among them. In addition to the activities of the bankers, German and French concession seekers secured rights for the iron-ore deposit in the Sus Province, which were claimed by the Krupps and Mannesmanns of Germany. These grants were of great value to Germany because she was in need of iron ore. Other concessions for docks, railroads, banks and other privileges were being sought by contesting nations, and in 1911 England, France and Germany were on the verge of war over the diplomatic controversies which were traceable to the attempts of these governments to protect their subjects and their concessions in Morocco.

The experience of Egypt and Morocco is the experience of Persia, Turkey, South Africa, Central America, Mexico and China. During the last forty years 100,000,000 people have been made subject to the great powers of Europe, and 10,000,000 square miles of territory have fallen under the dominion of England, France and Germany alone.

The lending of money was the primary cause of the penetration into North Africa. The struggle for concessions explains the penetration into Persia, Turkey, South Africa and Mexico. The war between Japan and Russia was directly traceable to the refusal of the Czar and his ministers to abandon very profitable timber concessions in which the royal family were personally interested and it seems now to be generally admitted that the South African War was traceable to the activities of the gold and diamond-mine owners seeking special privilege in the Transvaal. Persia was divided and placed under the joint suzerainty of Russia and England, partly as a political expedient to control the route to the East, and partly as a result of the struggle among Russian, German and English interests to control the transportation systems and oil fields of that country.

The home governments of the greater powers become involved in overseas exploitation because of the doctrine first enunciated by Lord Palmerston about the middle of the last century to the effect that the flag of the creditor nation followed the investor. The issue arose over the claim of an alleged British subject in Greece, which was disputed by the government of the latter country. The claim was referred to the British Foreign Office and a British battleship was sent to Greece to enforce the claim. Out of this action and the principle enunciated by the British Foreign Office, the doctrine of extraterritorial rights became identified with international law. It is a principle that has not been applied as between the greater nations. It is applied only by a strong against a weak nation. Under this doctrine, which has been accepted by all the greater powers with the exception of the United States, and which has been greatly amplified in the intervening years, the occupation of territory all over the world has been

justified. And as a result of this doctrine endless conflicts have arisen between the powers; for if the foreign office is justified in protecting a loan or concession against the borrowing or concession-granting country, it is also justified in protecting its claimants from any other power. During the last fifty years endless diplomatic negotiations have been held by all of the powers of Europe over conflicting rights in every section of the globe. And when finally the history of the present conflict is written, it is probable that the irritations and conflicts growing out of claims in Turkey, Asia Minor, Morocco, Persia and elsewhere will be found to be one of its primary causes.

The European war has shifted the burden of overseas finance to the United States. We have become the great creditor nation. Nearly \$5,000,000,000 has already been loaned directly to Europe, to South America, to China and Africa. Surplus wealth, so-called, has made its appearance here, and the lure of excessive interest rates has attracted the money of America out of the nation into distant parts. And with the beginning of overseas investments the demand arose for a firmer foreign policy in dealing with weaker nations. This demand is in direct ratio to the size of our overseas claims. There is no doubt that the primary motive behind the demand for intervention in Mexico was the fact that American claimants possessed privileges, concessions and investments in Mexico in excess of \$1,000,000,000, or a sum greater by more than \$200,000,000—according to Consul-General Fletcher—than the property and possessions of all the Mexicans combined.

Up to the present time President Wilson has declined to lend his sanction to the doctrine that the flag follows the investor. He has refused to sanction the Old World idea of extraterritorial nationality when weaker nations are involved. One of his first acts upon taking office in 1913 was to refuse support and protection to American participants in the Chinese six-power loan—a refusal which led to the withdrawal of American bankers from the syndicate; but as a countervailing gain it secured the affection and confidence of China. For the action of our government in this matter freed China from the demands of the European bankers of the six great powers, and enabled

her to secure a loan on much more favorable terms. It is quite possible, too, that the assistance given China at this time saved that country from bankruptcy and possible dismemberment by the powers which were seeking to enforce a loan upon the government far in excess of her needs. For one of the terms insisted on was that the Chinese customs and excise taxes, the administration of her salt monopoly, and the control of the auditing department should be placed in the hands of foreign advisers, who were to administer the revenue system for the payment of the interest and principal of the loan. Had these terms been acceded to and had China been divided into spheres of influence, it is not improbable that China would have fallen under the dominion of the great powers of Europe, as Egypt, Persia, Tunis, Morocco and Turkey have.

One of the gravest questions to be decided by the peace conferees on the termination of the war is the rights of weak and dependent peoples which during the last fifty years have fallen under the dominion of the greater powers. Shall they, too, be given liberty? Shall autonomy be granted to the African states and the Near East? Shall they be permitted to administer their internal affairs and exclude foreign concessionaries with as much freedom as the greater powers?

So long as the financial and concession-seeking interests are as powerful at home as they are today, they will be clamorous for protection for their investments. They will insist upon a great navy. They will urge their claims as they have done in the past. They will not willingly submit to disarmament if it means that the \$40,000,000,000 of investments by English, French and German people are to be left to such protection as is offered them by the dependent countries.

The United States has not yet become seriously involved in dollar diplomacy. Such overseas investments as have already been made are for the most part in Mexico and Central America. We are able to deal with this issue with a comparatively free hand. What will our policy be? Shall we blindly accept the diplomatic traditions of Europe, secret diplomacy, the doctrine that the flag follows the investor, and with it all the consequences of complications and wars which have followed this



doctrine all over the world? Or shall we rather adopt the democratic doctrine that the investor must take his own risks? Shall we not insist that if he ventures forth into foreign fields he has no right to demand that this country should police his investments, should interfere with other governments, and as a last resort should send American marines to collect his debts? Should not democracy establish the doctrine that the flag is a symbol of liberty rather than of subjection; that it will safeguard liberty rather than destroy it; and that other peoples—no matter what their stage of development may be—have an equal right with ourselves to establish and maintain their governments free from outside interference?

Briefly, it seems to me this country should reaffirm the principles laid down by President Wilson, and should definitely declare that the State Department is closed against concession seekers and those who would make use of the department for the promotion of their private interests. The United States, it should be stated, is not a collection agency; we are not in the insurance business. Moreover, our declarations and efforts should be toward establishing and securing freedom for all nations, be they in Europe or elsewhere; and especially for those nations which have lost their freedom through the activities of individuals and corporations engaged in overseas finance. Political freedom is as priceless to the yellow race or the black race as it is to the white. And the subjection of nations and countries in the interest of exploitation has less to defend it than any other claim of imperialism thus far put forth.

## TRADE, CONCESSIONS, INVESTMENTS, CONFLICT AND POLICY IN THE FAR EAST<sup>1</sup>

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**I**N a problem of practical politics we are concerned much more with the nature of activities and instruments than with their designations. Terms we must use, definitions we may have, but of easy characterizations we need to beware.

Trade, the developing of concessions, and the investing of capital are three forms of commercial activity. It is possible, obviously, to differentiate them — in some respects. There are, however, circumstances in which the three become so intimately associated that attempts separately to characterize the transactions involved lead only to confusion and error.

"Trade" suggests an exchange of commodities; "concessions" suggest an assignment of opportunities; "investments," a placing of capital. But in a transaction of any of the three we have two parties or more, each seeking some profit or some advantage, each giving and each getting something. In every case we have contact. With contact we get the possibility of friction. The more nearly the parties involved stand on equal footing—in economic and political strength and security—the more likely is it that business relationships and transactions will be satisfactory to both. The less there is of equality, and the further the groups are removed from outside restraining influences, the greater the likelihood that one party will take advantage of another—the consequence being some type of conflict.

When we talk of trade, concessions and investments we must think of each not alone in terms of itself but also of its concomitants. One of the foremost of the concomitants of all three is competition. We have the possibility of conflict

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at Long Beach, N. Y., June 1, 1917.

among competitors for each, as well as between the parties to the transactions actually effected.

Trade pure and simple may give rise to either or both species of conflict; concessions and investments are likely to. But the fault is not that of activity; it lies in the intent of the parties, the methods of the transaction, and the use to which the advantages gained may be put. It is not the thing, it is its abuse that leads to conflict.

For the purposes of the present discussion it will be necessary to direct attention only to illustrations drawn from the modern history of the Far East—almost exclusively from that of China.

Trade, without politics, without concessions, and without investments may lead to conflict. When the West went to the East, the occidental pioneers were intent upon getting the most possible and giving the least. Exploitation and monopolization were cardinal principles. The Dutch and the Portuguese abused the Chinese and Japanese and slandered and fought with each other for the sake, as they conceived it, of individual advantage in trade. When the English came, the Chinese, already persuaded that they should have nothing to do with a third race of barbarians, refused the English offer of trade—and the first encounter of the two nations was one of arms.

The business which the East India Company built up at C anton was one of trade pure and simple. But it ran counter to Chinese law and it proved disadvantageous to China, economically and otherwise. On their side the Chinese made the life of the foreign merchants so uncomfortable, and interfered with the trade so vexatiously, that the English merchants finally called upon their government for assistance. Trade, unfairly conducted on both sides, led to war.

The concession is, of course, much more conspicuously and more immediately associable with conflict than is simple trade. But the desire for trade is frequently primary among the considerations that lead to the taking of concessions. The methods by which concessions have been acquired and the manner in which they have been used as instruments for furthering political ends are what have brought them into disrepute. As concession getting has been practised, we usually find groups

from several states competing—with or without the assistance of their respective governments—and employing all sorts of instruments of pressure, even to threats or employment of force, to acquire what they wish.

The concessions taken in China have been many, various, and subject to much abuse. Russia first secured a privileged position in the north in the matter of trade rights and frontier duties. France then secured a reduction of duties in her favor in the south, with a "first-aid" pledge if China should seek to build railways. In 1895 France secured additional commercial privileges in the south exclusively for French benefit, with first call upon the right to assist China in mining operations in three provinces and the right to extend French-Annamese Railways into China. In the previous year, 1894, the British had secured a reduction of duties on the Burmese frontier—but they now demanded as an offset to the new advantage acquired by France that new trade-routes be opened in the southwest and south.

These operations, together with the conspicuous breach made in the principle of China's territorial integrity by the Chino-Japanese War, paved the way for the general assault known as the scramble for concessions. China, beaten in arms by Japan, her weakness exposed, was forced during the next four years, from 1894 to 1898, to grant almost anything and everything asked of her. The most-favored-nation clause was used by one nation after another as a lever for prying from the Tsungli-Yamen compensations for each concession given any other.

Russia, using a so-called Russian-Chinese bank and a so-called Russian-Chinese Railway Company as instruments, secured the right to build the Chinese-Eastern link, across Manchuria, of the Trans-Siberian Railway. In connection with this all sorts of privileges were accorded. France next secured the non-alienation pledge respecting the Island of Hainan. Great Britain secured a non-alienation pledge respecting the Yangtse valley; Japan, a similar pledge respecting Fukien province; Great Britain, the pledge that the Inspectorate-General of Customs should remain in British hands; France, a

similar pledge regarding the directorate of the Imperial Postal Service. Germany secured the lease of Kiaochow Bay, special mining and railway-building privileges, and the right of first aid for any industrial developments which China might choose to make in Shantung province. Russia secured the lease of the southern extremity of the Liaotung peninsula, together with the right to build a north and south Manchurian railway line. Great Britain took two territorial leases. France secured the lease of a bay and the right to build a railway into Yunnan, and other lines to the West River. Japan secured the opening of settlements exclusively for Japanese subjects at six ports. Italy alone of the powers was refused a concession which she asked. And Austria and the United States appear to have been the only great powers which had asked for nothing and been given nothing.

The most objectionable feature of the concessions of this period was their political aspect. Each, either by express provision or by the interpretation subsequently put upon it and enforced by the favored foreign power, tended to abridge or destroy China's sovereignty within the region affected. Each of the holding powers henceforth considered some region or other its sphere of influence. Some were inclined to prefix the adjective exclusive. Within five years Russia had made herself politically dominant in Manchuria. Before the year 1898 was ended, France had protested against negotiations then proceeding for construction by British firms of a railway from Canton to Kowloon, on the score that Kwantung province was within the French sphere of influence. After 1905, Russia and Japan closed Manchuria to railway investments, except their own. In 1914, Japan prevented the introduction of American capital, though in Chinese hands, into Fukien province on the plea that Fukien is a Japanese sphere of influence.

These concessions went to individual nations. They were of two sorts—territorial and industrial. Those which had to do with construction provided for development by foreigners of properties which were to be owned by foreigners and under foreign control; as, for example, the Russian, the German and the French railways. It was this, together with the fact that

these concessions were in most cases made to foreign governments, that has made these concessions subject to use—and abuse—as political weapons, used against China and by various nations against one another.

The concessions of the years 1894-1898 were responsible as were no other group of factors for the anti-foreign aspects of the Boxer uprising of 1900, in the course of which the Manchú government sought by a single great *coup* to get rid of foreigners and all their works. They made possible the Russian invasion of Manchuria. This led to the Russo-Japanese War. This brought Japan on to the continent, paved the way for her annexation of Korea, brought Japanese interests into conflict with occidental interests—including American—and with Chinese interests. Political developments, one after another, led to Japan's entry into the present war, followed by her demands on China in 1915, and the taking of more concessions. A new question has been raised: what will be done at the conclusion of the war by way of re-establishing the balance of power—now again upset—in East Asia?

The special concession, secured under pressure, made exclusive, used as a political instrument and for individualistic ends, is undoubtedly a cause of conflict. Nevertheless, concessions properly acquired and honestly worked—without ulterior political design—may be made to play a proper and legitimate part in the development of trade, to the advantage of all parties concerned.

When we turn to investments in China, we have an enormous field and a labyrinthine structure to explore. Investments have followed and have promoted trade, and they have been a cause and a consequence of concession getting.

China first began to borrow money for governmental purposes and to admit capital for the construction of railways and for other extensive enterprises after the Chino-Japanese War. Her first loan became the occasion for a conflict between the British on the one hand and the French and Russians on the other. Early railway enterprises occasioned a conflict between the British and the Russians on the north, and another between Americans on one side and Belgians, backed by France

and Russia, on the other, in Central and South China. In 1905 China tried to get back all sorts of industrial concessions, and in some cases she succeeded—at considerable cost. In most cases some new privilege had to be granted as a substitute for what was recovered. China finally arrived at the determination henceforth to endeavor to retain control in the areas into which foreign enterprise was admitted; hence her newer policy of accepting foreign capital and assistance but contending for Chinese ownership and administration. The application of this principle has had manifest results since 1908. It has not affected the situation in Manchuria or materially affected developments under those of the older concessions which were not recovered; but in the realm of new developments, it has led to the supplying of capital, materials and engineers from abroad for the prosecution of enterprises, many of which have remained Chinese. Concession getting has continued; but the concessions have been of a type—with a few exceptions—not so immediately dangerous to China.

The competition for railway-building concessions and for loans has been keen, and political pressure has constantly reinforced, if not inspired, the efforts of concessionaires and investors. Capital which has not had some active official backing has had little chance.

One of the best examples is to be found in the history of the Hukwang Railways' loan. American capital, with a perfect legal claim and good moral and political reasons for insisting on participation in this loan, would not have been admitted by the British-French-German combination had not President Taft played a forceful part and insisted that American money be given its rightful place. The United States had already been approached by China with a tentative request for \$300,000,000 in another connection. American banks had actually entered into negotiations for a loan of \$50,000,000 for currency reform. After the American government had made good our claim of right, and American capital had been admitted to the railways' loan, the American banking group shared the currency loan with the British, French and German groups, and the two loans were contracted for by the four-powers group

then formed. The American government did not even insist upon appointing an American, according to the right which had originally been conceded, as China's financial adviser.

Since 1905, the French and the Russians have secured railway concessions which bring their interests into conjunction in West China. Belgium has secured concessions which run east and west in the Yangtse valley. Japan, by the agreements of 1915, has penetrated Central China. We now find no less than seven powers holding concessions in this region. The British sphere of influence has not been kept intact, and Great Britain has not attempted to maintain an exclusive position within this, her so-called sphere.

Four countries at least have sought to make some concessions and investments the basis for the assertion of exclusive rights and the starting point for the development of political programs. Some concession agreements have contained highly insidious features in the form of secret supplementary provisions which are brought to light only at a moment when they may be used most effectively for the purpose of preventing or destroying competition. In some cases the intimate association of the economic and political forces of a concession-holding state, both for the most part in the hands of the same few persons, have given the enterprises of that state unwarranted advantage. In one case at least, a considerable immigration of persons accompanies the introduction of capital and industry—thus multiplying the points of contact and of possible friction.

It should be apparent, then, that we are not warranted in generalizing as to the good or evil consequences of concession taking and investments. Each case should be considered on the basis of its own character and merits.

We come now to the question of policy. While we are interested in what ought to be, in what might be an ideal, we are most concerned with what may be, what is practically possible within the immediate and the near future. The determination of a policy calls for full consideration of past and present conditions, with constant reference to the nature of the factors involved. We must think of states, peoples, govern-



ments, diplomatic methods, capital, commercial and political ambitions as they are. Change in some there may be soon, but not in all, and in many cases not radical change.

Foreign trade will continue—and will increase. Surplus capital will accumulate, and its export from various countries—including the United States—will continue. The question for the statesman becomes: how may we improve the conditions under which competition takes place; what steps can we take to diminish the possibilities of conflict?

It will be useful to pass briefly in review the policies, informal and formal, which have been in force with regard to China since occidental contact became of consequence.

During the early years of the Canton trade, the French, English and American merchants found it possible and convenient substantially to co-operate and to pursue a harmonious and common course in making representations to the Chinese. When the legations were opened at Peking, the first American minister, Anson Burlingame, took the lead in shaping a political co-operation which endured for a decade after he had returned to the West as China's special ambassador. A deviation occurred when at the making of the Chefoo treaty Sir Thomas Wade failed to take his colleagues into his confidence. The next few years witnessed a gradual falling apart, and with 1885 there began a distinct era of individualism. Individualism attained its extreme development between 1894 and 1898 when the Chinese diplomacy of the European powers committed itself to the taking of concessions on every hand, and the staking out of "spheres of influence."

It was just after this "scramble" that the United States first assumed territorial responsibilities in the Pacific, and, at a moment when the commercial and political future of China was in absolute doubt, Secretary Hay came forward with the request to the powers that they pledge themselves to the principle of equal opportunity for the commerce of all comers in their respective spheres of influence. In the next year he came to the aid of China and played boldly for the peace of the Far East by securing pledges of the powers to respect the terri-

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territorial integrity of the delinquent empire. Since then the open-door policy—which includes the two features of equality of opportunity and the territorial integrity of China, has been the one fixed principle in American far eastern endeavor.

As we have sought under the Monroe Doctrine to prevent interference which would undermine the political *status quo* in the western hemisphere, so under the principle of the open door we have opposed—in theory at least—activities tending toward new alterations of the territorial *status quo* or toward international complications, either political or commercial, in China. The protection of weaker states and the prevention of the establishing at their expense of conditions which would be a menace to ourselves and to peace have been our motives in both policies.

Until the Russo-Japanese War, the United States, Great Britain and Japan co-operated in support of the open door. After the war Japan developed a new interpretation intelligible to and soon approved by Russia. Great Britain, allied with Japan and preoccupied with affairs elsewhere, acquiesced. The United States made intermittent and increasingly ineffective inquiries as to activities and intentions.

There was a period just before 1909 when the complexities of the far eastern situation seem to have been neglected at Washington in favor of interest in South America. But in 1909 there came a revival of American official effort to render the open-door policy effective. Dollar diplomacy, so called, much misunderstood, and generally abused, sought in the Americas to strengthen our influence, and in the Far East to revivify the open-door principle and make equality of opportunity a reality. Through loans and through investments in railways, President Taft and Secretary Knox thought to hold open the narrowing door and to substitute action for words in our efforts on China's behalf.

Whether the suggestion originated in Washington or in Wall Street does not greatly matter. The currency loan and the neutralization proposals bear witness to the fact that the administration was not seeking advantages for America exclusively. That the major projects were opposed and were de-

feated was due to no inherent fault in the proposals themselves. It but served to show how concessions in the hands of certain other powers were used to the disadvantage of China and the exclusion of competitors.

The Chinchou-Aigun railway project was a legitimate business proposition—for the advantage of China along with that of the concessionaires. It involved the co-operation of American capital, English engineers, and Chinese administration and ownership. The Knox proposal for the neutralization of Manchurian railways could have been put forward only by a government which was playing a straightforward game. Had it been accepted, the plan promised much for the ultimate advantage of every country interested in the economic development of China and caring for the peace of the Far East.

The United States was unable to put through the neutralization scheme, for three reasons: We had not sufficient economic anchorage in the region concerned; we had no intention of using or threatening to use force; we were left in the lurch diplomatically in quarters where we had been led to believe we would have support.

Diplomacy, we shall probably all agree, needs reforming. It needs a new code of morals and a new set of rules. The greatest evil of the present system is not that it is conducted by individuals rather than by nations, but that it is played like a game of cut-throat auction bridge, rather than—as is often popularly and erroneously declared—like a game of chess. Chess is played on an open board, with no chance for deceit or lying; diplomacy is not.

Satisfactory diplomacy, democratic control or not, we shall not have until we shall have established a code wherein the word of a statesman is given upon the honor of his state, and when the word of one state to another is equivalent to the same among gentlemen.

In 1910 we gave up the struggle in Manchuria and concentrated our attention upon loan projects. President Taft's insistence had won for American capitalists our rightful participation in the Central China loans, and the four-powers consortium was formed. We were taking part in the development

of a new form of co-operation. Japan and Russia were ultimately admitted to the loaning group because it was conceived by the governments already committed to the principle of common action that it would be best to avoid the hidden conflict of interests which refusal to admit them would involve. Thus was formed the six-powers consortium.

In 1913 the new administration in the United States withdrew its support from the American banking group, and this group in turn withdrew from the six-powers syndicate. A very considerable number of well-informed and unprejudiced observers have felt that our government's action was due to a mistaken view of the facts of the situation, together with undue apprehension as to the possible effect of this co-operative financial activity upon China's future and upon America's freedom of action—not to mention questions of domestic policy. The withdrawal of the American group left American influence in the Far East greatly diminished. It was felt that we had repudiated our own traditional policy of co-operation, that we could not be depended upon, that we had committed ourselves to a stay-at-home program, and that American trade and foreign investments would henceforth receive no official support.

Almost simultaneously with this withdrawal there came the acute renewal of the Japanese controversy on this side of the Pacific; and the attitude which Japan assumed developed on the part of our government an apprehensiveness which has persisted and has kept Washington upon the defensive to this day. It might be said that from 1913 until recently the United States has been in no position resolutely to maintain other than a negative policy. Be that as it may, the State Department has contented itself with the making of essentially non-committal affirmations of our continued adherence to the open-door principle.

A possibility with regard to China which challenges and which must have American attention has recently been suggested by the proposal put forward, unofficially but obviously with official approval, by Baron Shibusawa: that America and Japan should co-operate in the economic development of China.

A similar suggestion which Count Okuma had made earlier to Great Britain, that British capital and Japanese brains should form an alliance for the exploitation of China, was not favorably received in England. Until very recently no proposal for American-Japanese co-operation in that field could have been considered with other than misgiving.

But after February 1917, the situation in the Far East greatly changed. The Russian Revolution gave a new character to the Russo-Japanese combination which, developed under the leadership of Japan during the past ten years, was consummated in July last. The entry of the United States into the war has put us in an entirely new position. We have recognized that we can no longer cling to the illusion of our isolation. We are co-operating with other nations for common ends. We shall soon be reasonably strong in a military sense. We already have arrived at supremacy in financial resources. We are now in a position where we may make bold to have a voice again and to take part effectively in the affairs of the Far East.

Japanese statesmen have sensed the significance of the new turn of events. The Terauchi government has recently affirmed in an entirely new tone its devotion to the principles of equality of opportunity and territorial integrity and its desire to see the commercial development of China made a matter of interest and participation for the powers which have capital to invest. It is also being declared in Japan that concessions henceforth must be of a non-political character.

Now if ever is the opportune moment for us vigorously and in a practical way to reaffirm our interest in the open-door policy. We have never repudiated it. We can not give it up; we should not if we could. The enforcement of the open-door policy is of vital importance to the maintenance of the Monroe Doctrine. The closing of China's markets, the absorption of China's territory within the customs boundaries of any or several foreign powers would diminish the opportunity for trade of others in the Far East, and in proportion as that opportunity may be diminished, competition for the trade of South America will after the war increase. This would add to the

policy of *laissez faire, laissez aller* is the very thing calculated to continue the existence of conditions wherein situations may arise that will bring us into such conflict as we seek, by doing nothing, to avoid. We can have influence only when we are in things, but not overwhelmed by them. We should put ourselves in a position where we can vote large blocks of stock in the financial councils of the powers which are in continuous session in Peking.

Various powers have at one time or another secured from China promises—in treaties or contracts—of whose ultimate possibilities the Chinese have had, at the moment of the making, no conception. Subsequently, when to their advantage, these powers have brought out and used these pledges. At the same time, repeatedly, these same powers have claimed immunity from the binding force of various pledges of their own, made to or with regard to China, on the plea of “altered circumstances.” What is sauce for the goose is not sauce for the gander; but it should be. If other powers are to escape because of altered circumstances from the obligation of pledges inconvenient to themselves, surely China too ought not be held to conditions which have been agreed to under the representation that they would be to the advantage of all concerned, new circumstances having brought it about that their enforcement is to the disadvantage of some and to the unfair advantage of one or two parties only. Various of the old far eastern agreements should, by international agreement, be legislated out of existence. There should be a cleaning of the old slate, with its entries of individualism. There should be new agreements, entered into by all the interested powers, drafted on the principle of fair play for all, with full respect for the rights of all, and establishing effective limitations upon the hitherto assumed right of each state, because independent, to act independently and with a view to its own peculiar and selfish interests.

Japan declares that her China policy is “commercial” only. Much evidence might be introduced to show that it is that, and much to show that it is more than that. At the conclusion we should have proved nothing. Now the Japanese come inviting co-operation. Can we accept this invitation?



There are those who warn against "predatory nations." The Chinese have a way of buying off predatory individuals or putting an end to their depredations by giving them occupations at once gainful and legitimate. Might we not consider the possible application of this principle in dealing with what are suspected of being predatory nations? Where nations have opposed our policies, might it not be possible to win them to acceptance of the principles which we advocate, by making it more profitable for them to work in accordance with than contrary to these principles?

The form of co-operation which the Japanese have actually proposed—unofficially—suggests an informal partnership in which Americans would be expected to supply capital and leave it to Japan to do the investing in China. To this there have been raised, and there stand obvious objections. It might be possible, however, to consider the invitation in principle and offer amendments to the plan proposed. We could say: We welcome the suggestion of co-operation. The Chinese are asking for capital and for assistance in engineering and industrial enterprises. The two go together. We are interested in *bona fide* commercial undertakings on a non-political basis. Let our opportunity be made equal to yours, let the idea of exclusive appropriation of opportunities within spheres of influence be given up; we will lend you money, and you and we may enter the field on equal terms. There is more than room in China for all the capital and all the expert assistance that can be supplied by both of us and by others. We will put capital at your disposal if you will in return freely concede the right of our investors and entrepreneurs along with yours and those of other nations to share in such opportunities as the Chinese may be willing to assign to them. This would be co-operation without partnership, mutual helpfulness without prejudice to the rights and interests of others.

In whatever effort we may make to lead away from the vicious and discredited practices of individualism which have prevailed, we should avoid alignments which tend to substitute competition by groups, for these would merely intensify rivalries by decreasing the number and increasing the strength

of the competitors. We should either stand alone or endeavor to establish a combination in which the opportunity to participate shall be open to all. We should offer our capital only where we are assured that it will not be used to further political ends of which we do not approve. If we think to avert rather than to precipitate conflict, if we are seriously interested in the problem of developing China's resources with a minimum of friction, we must work for something more promising than a new application of the old individualistic principle.

This suggests nothing short of general, that is, extended, international co-operation for the placing of capital in China. To the question, might not concessions and investments in China be subjected in both their political and their financial aspects to international agreement and control, the answer comes: "This was tried in the case of the six-powers consortium, and it failed." True. But the failure of an experiment does not demonstrate the futility of a principle. The first flying machines did not fly, and federal alliances have been known to fail.

Under ideal conditions, free competition in the Chinese investment market would probably be the best system. But free competition there has not been and does not seem likely to be. The staking out and development of spheres of influence has not produced harmony. Bilateral affirmations of devotion to the principles of the open-door policy have not ensured equality of opportunity. Political partnerships have not assured commercial peace—even between the contracting parties. The financial consortium has been tried, but not with a carefully constructed plan, and only under unfavorable conditions.

What we know of the experiences and the causes for the failure of the six-power consortium might go far toward suggesting things to be done and things not to be done in the attempt to devise a better form of co-operation. One of the greatest obstacles to its success was the fact that some governments and some groups of capitalists were intent upon the maximum of immediate advantage to themselves, with little thought of the general interest, and with utter indifference to

the wishes and the susceptibilities of the Chinese. If it could be understood once for all that there is room in China for the capital of all who wish to invest and that every nation will profit more through the adoption of a common and fair policy than any one can by pursuing the past methods of political competition and aggression, a new era would dawn.

Effective international co-operation in the Far East would require a common acceptance instead of particular applications of "dollar diplomacy." It would require frank co-operation on the part of the governments of those states which have capital for foreign investment. Through the co-operating governments, the capital which goes from any or from all could be directed and controlled in its migratory activities. Each state would still be free to make its own decisions as to whether and how its government should approve the export of its own capital. Co-operation should begin at home, but the state should control. As a group, the co-operating states, including and with the consent of China, could determine the distribution and guarantee the security of capital accepted for Chinese enterprises.

The joint regulation suggested need not be made to apply in all cases; it might be limited to major, to large-scale enterprises. The actual carrying-out of any given constructive enterprise might be allotted by the group to nationals of one or another country—including the Chinese. Administration of special securities, where required, should be subject to an international personnel, after the model of the Chinese Customs Service. It should be understood that no concession should be taken and no investment be made which had not the approval of the Chinese government.

Small enterprises might be considered in a separate class and perhaps not be subjected to joint regulation. The following principle, however, should be made to apply in all cases, both for old and for new, for large and for small investments: In case of controversy or conflict involving the necessity for intervention, such pressure as may need to be brought to bear shall be decided upon by the co-operating powers jointly, or by an international court, and shall be directed against the Chinese

government only, or with its consent against whoever may be the offender.

Unquestionably, many difficulties stand in the way, and many problems would have to be solved for such a proposal to be accepted and to succeed. It is not within the province of this discussion to suggest a detailed plan—that would have to be worked out by statesmen and financiers; for present purposes the desire is to emphasize the principles of co-operation and regulation.

The United States is in a position where she may, if she chooses, take the lead in a movement for the formulation of a co-operative policy. The responsibilities of opportunity and capacity are upon us. If we wish to make our ideas and ideals prevail, we must first combine the forces which constitute the instruments of our own influence, and then secure co-operation between these instruments and similar instruments of other nations. Co-operation of some sort must take the place of individualism, both in internal and in international affairs.

If there is any region in the world today in which it is practicable to attempt the experiment of a league of forces, economic and political, for the preservation of the peace, that region is to be found in the field which has long been a battle ground of trade, concessions and investments—the Far East.

## PROPERTY RIGHTS AND TRADE RIVALRIES AS FACTORS IN INTERNATIONAL COMPLI- CATIONS<sup>1</sup>

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**I**T is no startling pronouncement to say that property rights and trade rivalries are the chief factors in international complications. It is no more than to say that international intercourse is responsible for international complications. If the peoples of the several nations were cut off from all intercourse with one another, obviously no differences, disagreements or complications would arise among them, but as soon as they begin to have business relations, differences will develop, as they develop among people of the same country.

Foreign trade and investments are entered upon for the same motives, and are justified by the same considerations of public interest, as domestic trade and investments. There are mutual economic gains to be realized by trade between peoples of different countries. The differences of climate and natural resources make an exchange of products desirable, and besides these there are differences in what we may call the genius of the peoples, in their natural aptitudes, and in their development. The peoples of every country of the earth should be better off because there are other countries and other peoples with whom they can have intercourse and trade, just as the people of any given country are better off because there is diversity of natural resources and of individual taste and talent within that country. Modern facilities of transportation and communication greatly increase both domestic and international intercourse, and put them more nearly on the same basis. There result, of course, more opportunities for disputes and what are

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at the Chamber of Commerce, New York, June 1, 1917.

here called complications, but the remedy clearly is not in any policy which would make the difficulties of intercourse greater, or which would tend to keep the peoples of the world apart, but rather in policies which would tend to bring them together, promote intercourse between them and establish orderly methods of settling the misunderstandings and disagreements which inevitably arise.

The weakness of the international situation is in the fact that there have been no established and recognized tribunals for the adjudication of international disagreements; none at least until recently, and as yet the court at The Hague, although a hopeful beginning, is without the sanctions and authority that are necessary to make it an important factor in international relations. We have domestic courts to enforce rules and order upon the business community, and men can go ahead in business with confidence that if they can show good faith and clean hands they will be protected in their rights by public authority. International transactions, on the other hand, are in a field where there is practically no formal law or procedure. Diplomacy to a great extent takes the place of judicial procedure; treaties and special agreements govern, and all the undesirable results of a state of primitive, unsettled, anarchistic society are realized. Where there is no established order or authority, and, instead of having established conditions to which all must conform, everybody must negotiate for himself, it is inevitable that the strongest will get the best terms, and that there will be rivalries, jealousies, enmities and eventually spheres of influence, or, in other words, tacit agreements to recognize one another's predominant interests in certain fields or territories. No other class is so much interested in public law and orderly government as the weak; the strong are able to take care of themselves. Moreover, the rivalries of the strong, their efforts to maintain themselves against one another, their efforts to secure to themselves every privilege which by any possibility may be obtained by a rival, tend to make them even more aggressive toward the weak than they would be if they were dealing with the weak alone. The latter become a minor factor in a struggle between rivals.

In the earlier years of railroading in the United States, when there was no public regulation of railroad rates or service, and down until comparatively recent years, so long as regulation was ineffective, special rates and rebates were common; indeed, at one time they were so common that it was the rule instead of the exception for a shipper of any consequence to make his own bargain as to rates. The business man sought special rates not so much because he wanted an advantage over his competitors as because he could not survive if they had an advantage over him. The transportation situation was in a state of anarchy from which no shipper alone and no railroad alone could rescue it. As a rule, business men and railroad officials were alike glad to get out of it. It was necessary for the government to establish the rules for uniform treatment, and so in the field of international rivalry there has been almost a state of anarchy, and it is desirable to establish some authority able to determine general rules which all must observe.

International investments are the natural corollary of international intercourse and international trade. Some countries are farther advanced industrially than others, and it is mutually advantageous that they shall supply the more backward nations with railroads, docks and other public utilities, and take their pay by the only means practicable—to wit, in government bonds, or by becoming in a greater or less degree the proprietors or creditors of the enterprises. Such transactions create international investments. This is what critics call the “exploitation” of one country by another. It was under “exploitation” of this character, at the hands of England, Holland and the other countries of Western Europe, that the development of the United States was so rapidly accomplished, until it is now in position to “exploit” other countries in turn. In this manner New England “exploited” the Middle West and the Middle West “exploited” the Far West and the Middle and Far West overflowed into the Canadian Northwest, and have been “exploiting” that region by developing its resources.

And across the other border there has been an “exploitation” of Mexico, of which more has been said, although the

processes and results were the same. There was an opening-up of the dormant resources of the country and an installation of equipment and facilities, creating new demands for the labor of the country, with the result that in the neighborhood of all these scenes of "exploitation" wages doubled and trebled. The more capital went into Mexico, the greater was the competition for labor and the more independent and ambitious the laborers naturally became. At the time of the outbreak of the revolution the big smelting companies which were operating in both Mexico and the United States claimed that, based upon efficiency, and as related to the unit of product, wages were as high in the industrial centers there as on this side of the line. The larger American companies established schools in the communities where they were located, with teachers from the United States, and the results were noticeable in the appearance of the children. It was no uncommon thing to see father and mother barefoot, and with the mother's head perhaps enveloped in a shawl, while their children wore hats and shoes. New ideas were permeating Mexico, regeneration and development were in progress. Conditions were far from ideal, no doubt, but ideals were developing and constructive forces were at work. The humblest people of Mexico were coming into contact with the civilization of the outside world, and it may be that the stimulating influence of this contact was a factor in bringing on the revolution. One may agree to this and still deplore the revolution because it stopped the steady and orderly course of progress and engulfed the country in misery and ruin.

It is perhaps pertinent here to say that reports to the effect that American interests in Mexico were in any way responsible for the disorders there, that they were taking sides with or against any of the factions, or that they have plotted against the sovereignty or independence of Mexico, are to be discredited. There are, or were, a great many American interests in Mexico, and nobody can speak for all of them, but it is safe to say that the larger interests which are usually in mind when American interests there are mentioned, such as the mining, smelting and oil interests, have never asked for



anything but that they be allowed to pursue their business under the laws of Mexico and that protection be given for the lives of their employees and their property. They have reported the murder of American citizens and the violation of property rights to the United States government, as they had a right to do, and as it was their duty to do, but any representations that they have conspired for the annexation of Mexico, that they have attempted to dictate how the United States should assert its rights, or that they have violated the proprieties of their dual relationship to Mexico and the United States, are untrue. No other people in this country have been so anxious for the restoration of friendly relations between the United States and Mexico as they.

The effect of constructive investments which develop the natural resources of a country and create new demands for its labor are well understood in all new countries. All countries eagerly invite them. There is no city in the United States which does not give a hospitable reception to outside capital, and the same is true of other countries. When the Pan-American congresses are held in this country, the mission of every delegate from Latin America is to invite capital to come down and develop his country.

It is a superficial view of international investments to regard them as beneficial only to the capitalists who make them. It has been to the advantage of all the people of England that English capital has been invested in foreign countries. It has enlarged the industries of England and brought cheaper food and supplies to the country. Better economic results are often obtainable by investments in a new country than in an old one. The construction of railways in Western Canada has done more to increase the food supply than could have been done by any investment of British capital at home. It is in the interest of the whole world that new sources of food and raw materials shall be opened up. It has been beneficial to the millions everywhere that foreign capital has increased the supply of food from Argentina and Brazil, and the supply of copper and nitrate from Chile, of tin from Bolivia, of rubber and tea from Asia, and of copper and silver and oil from

Mexico. This is the orderly, inevitable process by which industrial progress spreads from country to country, and the benefits of increasing wealth are diffused throughout the world.

Professor Hornbeck has given a correct and sensible account of the negotiations relative to the proposed six-power Chinese loan, so far as the bankers of the United States were related to it. I am in a position to say that the bankers of New York did not seek an interest in that loan, and did not care to be interested in it. They were indifferent because bankers do not buy bonds to keep themselves; if a bank should invest all its resources in bonds which it could not sell, it would be in no position to meet the shifting demands of its customers, and it would soon be out of the banking business. Bankers buy bonds to sell, and the bankers of New York did not think there was a market for Chinese bonds in this country.

The government at Washington, however, was interested in the Chinese situation. Our government has stood for the open door in China, and knowing that China was about to negotiate a large foreign loan in Europe, and realizing that this would give the countries participating special claims to consideration in Chinese trade, and probably lead to their obtaining a more intimate position in Chinese affairs than a non-participating country, it conceived the idea of having American bankers participate in the loan. The purpose was to obtain for this country the right to a seat at any council table at which Chinese affairs were under discussion. Our government acted in this matter upon the advice of the American diplomats most experienced in Asiatic affairs; it solicited the interest of the New York bankers, and asked of the Chinese government that American bankers be allowed to participate. That is the history of how New York bankers became associated in the negotiations.

As to the charge that the bankers attempted to make the government of China take a much larger loan than it wanted, the charge is untrue. The largest sum mentioned, \$300,000,000, was originally named by the Chinese government. The differences between the Chinese government and the bankers were over the restrictions which the latter desired to put upon the

expenditure of the money. The bankers felt a sense of responsibility, of obligation, both to the public to whom the bonds were to be sold and to the Chinese public, to see that the money was properly expended. They wished to make sure that the money would not be wasted, either through a lack of business experience on the part of the government or otherwise. In short, they sought to create safeguards against precisely the abuses which have been named here as occurring in Egypt, where a great debt was created with little to show for it. That was the whole purpose of the "control" feature to which objection has been made.

It is desirable that these investments by the advanced countries shall be made, that this spread and diffusion of wealth shall occur, that the waste places shall be developed, and that the production of those things which minister to the comfort and well-being of mankind shall be increased. But there are difficulties attendant upon it, growing out of the mingling of races and civilizations strange to one another and of different degrees of culture; difficulties, too, growing out of the rivalries of nations and their eagerness to obtain access to new supplies of food and raw materials, out of their desire to be able to pay for them with their own products, and to be assured that they will not be excluded from them by the strategy of a rival country.

Among the difficulties are those arising from the instability of governments, resulting from a lack of experience or development among these backward peoples in the science of social organization and government. They do not always understand the importance of social order, of stable and permanent policies, and of the sanctity of agreements. The development of modern industry requires long-time investments, and there must be a fair assurance of security from public disorder and injustice, or the investments will not be made.

Under the circumstances, it is natural and proper, when an investment in a foreign country suffers unjust treatment at the hands of the government of that country, or fails to receive the protection which governments are expected to give, that the investors shall appeal to their home governments for help;

and it is natural and proper that under such circumstances the home government shall make representations in their behalf. It is a recognized obligation of all governments to interest themselves in behalf of their nationals when traveling or sojourning outside the home country, to the extent of protecting them in the rights which are guaranteed by existing treaties. It is one of the fundamental purposes for which governments are established and for which they make treaties.

There is a passage in the life of Paul of Tarsus that is pertinent to this:

And as they bound him with thongs, Paul said unto the centurion who stood by: Is it lawful for you to scourge a man that is a Roman and uncondemned?

When the centurion heard that he went and told the chief captain, saying: Take heed what thou doest, *for this man is a Roman*.

Then straightway they departed from him which should have examined him; and the chief captain also was afraid, after he knew that he was a Roman, and because he had been bound.

And they loosed him from his bonds! And from that day to this time, when we have actually entered upon the greatest and most costly war of our history, because the rights of American citizens beyond our borders have been violated, every government which has held up its head among the nations of the world has acknowledged that its claim upon the citizen for loyalty involved an obligation on its part to give protection to the citizen in his just rights.

This obligation to protect the citizen abroad goes so far that no government will even allow a citizen to bargain away the right of appeal. Certain countries have passed laws providing that concessions and property rights are granted to foreigners upon the condition that the latter agree to rest their rights wholly with the courts of that country and under no circumstances to appeal to their home government, under penalty of forfeiture, but the leading countries of the world, including the United States, decline to accept such legislation and such agreements as binding. They hold it to be contrary to their own public policy to allow their citizens thus to pledge

away their rights, just as the courts of this country hold to be void an agreement by which a workman releases his employer from liability for personal injuries. The rights of an American citizen abroad are of concern to the American people; and the government does not wish such rights to be impaired. Moreover, there is a principle involved which is broader than mere jealousy for the interests of one country, the same principle which is involved in our contention that neutral citizens have the right in time of war to travel in belligerent merchant ships. We maintain the right of international intercourse upon the solid ground upon which all individual rights and national rights must at last rest—to wit, that its exercise by all peoples is in the interest of civilization and for the good of the world.

There is a moral obligation upon the inhabitants of every country to become a part of the international community, to fit themselves for membership in it and to make such contribution as they can to its welfare. The right to occupy a portion of the earth's surface is not absolute; it is undoubtedly qualified by a proper consideration for the general welfare. The right to private property in land is vigorously challenged, and must be justified at last upon the theory that the interests of the community are best served by the assurance of continual possession which ownership gives. In England the government has just been authorized by an act of Parliament to enter upon land which is not being tilled by the owner, or which is being inefficiently tilled, and take charge of its cultivation, and that action is consistent with the theory that on the whole the largest production is to be obtained through the policy of private ownership.

The same principle applied to the international community would require the inhabitants of every country to make some reasonable use of the natural riches which are in their possession. It would be an unreasonable assertion of the right of possession to maintain that the North American Indians would have been entitled to occupy this continent forever without development. And so where the population of a country is so backward in capacity for government that the country is dominated by the arbitrary will of a few, or where for the same

reason it seems impossible to maintain that state of order which is the first requisite of industrial progress, it becomes a fair question whether the outside world is not justified in imposing some authority or government. It is idle to argue over the abstract right or advisability of any people following a policy of isolation and non-intercourse with the rest of the world. We must assume that international intercourse is inevitable, and seek to establish safeguards for it and to make it an agency for world progress.

It may be agreed that a very delicate question is raised when one nation or people sets up a claim to exercise authority over another, but, as we have seen, these claims arise inevitably if intercourse and trade exist between the more advanced nations and those which are more or less undeveloped in the experience of organization and government. Moreover, on account of the competitive relations existing between the advanced nations, their political as well as commercial rivalries, their suspicions and fears of one another, in short, because of the unsettled and anarchistic state of world organization, the pressure upon the weak and backward peoples is increased. Their situation is undetermined; there is a probability that they will come under the influence or domination of some stronger power, and perhaps become a colonial dependency, with preferential trade relations. These probabilities are bound to be a subject of concern to the responsible ministers of all countries, who are charged with safeguarding the interests of their peoples. So long as a considerable portion of the world, including regions of great natural wealth, is in this unsettled state, and there is no responsible world organization to deal with the situation in a judicial manner, and with a view to promoting the common good, this clash of interests will occur. The countries which encourage their citizens to seek investments and trade abroad and back them up most effectively, will lead in the development of the backward countries.

It is the general rule of international law that persons living or doing business in a foreign country must accept the laws and administration of that country, and not claim any advantages or preferred treatment over its own people. In

the event, however, of treatment which is palpably unjust and discriminatory, diplomatic representations are justified, and are resorted to by all countries. It does not follow that a government will support its citizens in unreasonable claims, or that diplomatic representations are to be backed up by military power. That is very unusual and presumably such action is taken only where very serious injustice is threatened. The presumption always is that a fair settlement can be reached.

Thomas F. Bayard, secretary of state of the United States, in 1886 said that application to the State Department of this country for redress against the supposed injurious actions of a foreign judicial tribunal must be based upon one of two grounds:

(1) Undue discrimination against the petitioner as a citizen of the United States in breach of treaty obligations; or

(2) Violation of those rules for the maintenance of justice in judicial enquiries which are sanctioned by international law.

The exhaustion of local remedies is considered a necessary condition precedent to recourse to diplomatic interposition, but the home government will take cognizance of complaints made by its citizens that they have been denied justice in foreign courts. Hamilton Fish, secretary of state, in 1873 said:

Foreign governments have a right, and it is their duty, to judge whether their citizens have received the protection due to them pursuant to laws and treaties.

James G. Blaine, secretary of state, in 1891 said:

Where the question is presented whether the government of a country has discharged its duty in rendering protection to the citizens of another nation, it cannot be conceded that that government is to be the judge of its own conduct.

Secretary of State Bayard said in 1887:

This department has contested and denied the doctrine that a government may set up the judgment of one of its own courts as a bar to an international claim, when such judgment is shown to have been unjust or in violation of the principles of international law.

Where an issue of this kind arises between two sovereign states, one affirming that its courts have fairly adjudicated a case, and the other maintaining that there has been a denial of justice, the only means of settlement is by voluntary composition or arbitration, or by coercion. Such cases seldom arise between the advanced nations, but as between a weak and backward nation and one of the advanced group, it has sometimes happened that peremptory demands have been made and enforced by seizing territory or taking possession of sources of revenue. These cases have usually been over defaulted government obligations.

As a result of such cases, Dr. Luis Drago, minister of foreign affairs of Argentina, in 1902 promulgated a doctrine since known as the Drago Doctrine, which virtually proposed to the United States the adoption of a corollary to the Monroe Doctrine, to the effect that "the public debt (of an American state) cannot occasion armed intervention, nor even the actual occupation of the territory of American nations by a European power."

It may be noted that the Drago protest was against the use of armed force in the collection of public debts and not against diplomatic interposition. Dr. Drago expressly stated that he did not intend to make his doctrine a defense "for bad faith, disorder, and deliberate and voluntary insolvency."

Dr. Drago failed to obtain a complete adoption of his proposal by the United States. Secretary Hay's response, which Dr. Drago characterized as one of "cordial evasion," quoted from President Roosevelt's message of 1901 to the effect that "we do not guarantee any state against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of American territory by any non-American powers," but added an unequivocal approval of arbitration of claims growing out of alleged wrongs to individuals.

The government of the United States has been confronted by a number of perplexing cases arising out of the indebtedness of the republics of Central America, Haiti and San Domingo, and its own desire to maintain the integrity of the



Monroe Doctrine. President Roosevelt stated the general situation and the attitude of this government in a message to Congress in 1905, from which the following extract is made:

Our own government has always refused to enforce such contractual obligations on behalf of its citizens by an appeal to arms. It is much to be wished that all foreign governments would take the same view. But they do not, and in consequence we are liable at any time to be brought face to face with disagreeable alternatives. On the one hand, this country would certainly decline to go to war to prevent a foreign government from collecting a just debt; on the other hand, it is very inadvisable to permit any foreign power to take possession, even temporarily, of the custom houses of an American republic in order to enforce the payment of its obligations, for such temporary occupation might turn into a permanent occupation. The only escape from these alternatives may at any time be that we must ourselves undertake to bring about some arrangement by which so much as possible of a just obligation shall be paid. It is far better that this country should put through such an arrangement rather than allow any foreign country to pay debts of an improper character under duress, while it also insures honest creditors of the republic from being passed by in the interest of dishonest or grasping creditors.

In 1906, Elihu Root, secretary of state, in written instructions to the delegates of the United States to the Pan-American Conference at Rio de Janeiro, said:

It has long been the established policy of the United States not to use its armed forces for the collection of ordinary contract debts due to its citizens by other governments.

It is doubtless true that the non-payment of public debts may be accompanied by such circumstances of fraud and wrongdoing or violation of treaties as to justify the use of force. This government would be glad to see an international consideration of the subject which shall discriminate between such cases and the simple non-performance of a contract with a private person, and a resolution in favor of reliance upon peaceful means in cases of the latter class.

Secretary Root recommended that the Rio Conference bring the matter formally before the conference at The Hague. The

Rio Conference passed resolutions accordingly, and the United States delegation at The Hague, on instructions from Mr. Root, as secretary of state, brought forward a proposition to the effect that the use of force for the collection of contract debts is not permissible until after the justice and amount of the debt, as well as the time and manner of payment, shall have been determined by arbitration.

General Horace Porter took charge of this proposition, and made the principal address in its support. After several amendments to his original draft, the conference by a vote of 39 in favor and 5 absentions (Belgium, Rumania, Sweden, Switzerland and Venezuela) adopted the following convention—a few states making special reservations:

The contracting powers agree not to have recourse to armed force for the recovery of contract debts claimed from the government of one country by the government of another country as being due to its nationals.

This undertaking is, however, not applicable when the debtor state refuses or neglects to reply to an offer of arbitration, or, after accepting the offer, prevents any *compromis* from being agreed on, or, after the arbitration, fails to submit to the award.

These quotations show the attitude of the United States and the general state of public opinion upon the subject down to the date of the outbreak of the present European war. As a general rule the mere inability of a country to meet its obligations, either in the payment of its debts or in the preservation of domestic order, has not been considered as a sufficient reason for peremptory action. Deliberate denial of justice or protection, or diversion of funds pledged to a specific purpose, are the usual grounds for a threat of force.

It is clearly desirable that the world shall be organized for the judicial treatment of all questions arising out of international relations, in order that they may be disposed of upon universal principles of equity, and with a view to protecting and promoting friendly intercourse and the general good of the entire international community. There is ground for hope that the alliance of the chief democracies of the world in the

present war will lead to a permanent organization for this purpose, into which every nation which gives evidence of good faith may be ultimately admitted.

Such a scheme, however, to be assured of permanency, requires a more general understanding than prevails at present of the fundamental truth that the real interests of all peoples are naturally complementary and harmonious instead of antagonistic and conflicting. There is room enough in the world for all, and the different peoples may contribute to each other's prosperity. The prosperity of a country, as of an individual, does not consist in getting wealth away from others, but in co-ordinating its efforts with the efforts of others so that the aggregate production is increased. It is a mistake to think that a country is poorer for what it imports in a normal exchange of products with other countries, or that there is occasion for concern and jealousy in the fact that another country has a larger trade in certain quarters. No country can have all the trade of the world; at best it can do no more than keep its people fully employed; that is the limit upon its production. On the other hand, the consumption of every country in the long run keeps pace with its production; the rise of wages in Japan since industry has developed there under modern conditions, and the increased importations of the country, are an illustration of this fact; so that whether production is all consumed at home or partly exported in exchange, the production of one country does not in any general or final sense curtail the production or interfere with the opportunities of other countries. It is by observing single features of trade that the competitive idea is over-emphasized. The production and consumption of the world would both be increased if the resources and industries of all countries were harmoniously integrated.

It is, however, not to be supposed that an era of universal free trade can be suddenly inaugurated. The established industries which give employment to great numbers of people could not be suddenly and radically disturbed without disaster, and the instinctive desire of nations to be independent at least in the essentials of national life is too firmly fixed to be quickly

overcome, particularly following this war. The danger is that the war may confirm the old impulse, and give a new impetus to the desire of every people to be self-sufficient and to have no relations with others except by selling to or receiving from them a limited list of strictly non-competitive goods.

The chief obstacle to a more co-operative organization of the productive forces of the world is the fear that the peoples have of each other, and their consequent unwillingness to trust each other or be dependent upon each other. They distrust all proposals and arrangements which involve such dependence, and there is no way of changing this mental attitude but by gradual enlightenment, which, as it grows, enables men in increasing degree to understand one another, have confidence in one another, see the common interests, and work together for the common good.

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## TRADE AND PROPERTY RIGHTS IN WAR TIME<sup>1</sup>

SIMEON E. BALDWIN

Ex-Governor of Connecticut

THIS conference has had a busy week. It discussed at Long Beach, under the leadership of Justice Hughes and President Butler, the general subject of the future of international law, and of the appeal to law as contrasted with an appeal to war. It followed this by a consideration of the relations of our government to other governments; and now it has come back to the great center of American commerce to talk of international complications arising from the claims of individuals against governments, touching property rights, trade licenses, investments and concessions. Such complications are often the father of war; always the children of war.

Frequent reference has been made at this conference to the success of the experiment of uniting in a federal congress in 1781 all the self-governing democracies then existing in America. The Continental Congress also did something more for the country than to provide machinery for its own good government. Through Jefferson and Franklin it early took a long step forward in the regulation of our foreign relations in time of war. It declared the policy of the United States to be to make war injure the interests of private individuals as little as possible. It negotiated one treaty, founded on that principle, which is still in force. That was our treaty with Prussia in 1785, the last great work of Benjamin Franklin. As it came from his hands committed to the doctrine of "free ships, free goods," it was the most liberal and advanced treaty between nations for the regulation of their trade relations, known up to that time in the history of diplomacy. Germany, as the successor of Prussia, has not disputed that it controls her relations with us at the present juncture.

<sup>1</sup> Introductory remarks as presiding officer at the session of June 1.

One of its provisions, renewed in 1799 and again in 1828, is this:

If war should arise between the two contracting parties, merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women, and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages or places; and in general all others, whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments, and shall not be molested in their persons, nor shall their houses or goods be burned or otherwise destroyed, nor their fields wasted by the armed force of the enemy, into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force, the same shall be paid for at a reasonable price.

As the Treaty of 1828 has not yet, I believe, been denounced, these provisions may not improbably be the subject of much diplomatic discussion when we are again at peace.

The changes in foreign investments here during the past three years have been enormous. There have been large voluntary sales; there have been more forced appropriations of one kind or another of the property of enemy's subjects, by and for the government at war with their sovereign. Out of such events and out of concessions to foreigners which have been impaired or revoked must come in the future many claims for pecuniary compensation. The discussion of the general subject is to occupy our closing session.

## FOREIGN INVESTMENT RELATIONS<sup>1</sup>

H. A. OVERSTREET

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**I**N the rich material that has been presented to us this morning two lines of thought have been pursued which have not always been kept clearly apart. Let me indicate what these two lines of thought have been and point out the salient issues to which they lead.

In the first place, the discussion has concerned itself with the relation of investors (individuals and groups) to the foreign countries—in the main, the backward countries and dying empires—in which investments have been made. In the second place, it has concerned itself with the relations of the investing groups within the several advanced countries to each other. Out of these two lines of thought two very different sets of problems have arisen. There has appeared to be some disagreement among the speakers in the treatment of these problems; but I think that on reflection we shall find that the disagreement has been more apparent than real, that the speakers, as a matter of fact, were simply addressing themselves to different issues.

With respect to the first line of thought—the relation of investors to the countries in which the investments are placed. It was said, and said rightly this morning, that investments have not in all, or even in most cases been made for the benefit of the backward countries. There has been, in large measure, what has been called “exploitation.” Now exploitation is a word of double meaning. We may exploit a problem in the sense of finding out what is in the problem; we may exploit a territory in the sense of finding out and bringing out what is in that territory. In this respect, as several of the speakers

<sup>1</sup> Address delivered at the National Conference on Foreign Relations of the United States, held under the auspices of the Academy of Political Science, at the Chamber of Commerce, New York, June 1, 1917.

pointed out, investment has unquestionably been a good thing for backward countries. Without investment, in the sort of economic world in which we live today, the backward countries would undoubtedly still, in large measure, be as backward as they ever were. With investment, these countries have been enabled to enjoy somewhat of the fruits of civilized progress. In this sense, therefore, investment in the backward countries has been a beneficent type of enterprise. With that, I think, we should all agree.

However, I think we should all equally agree that investments in the backward countries have not always been above suspicion of doing a great deal of harm to the people of the countries in question. One remembers the highly usurious rates of interest charged the Egyptian government by the English lenders, interest that had to be made good by means of taxes that weighed crushingly upon the native population. One remembers the partition of Persia by Russia and Great Britain, a partition growing directly out of the interests or apparent interests of British and Russian investing groups. It is a case of clear record, I think, that by reason of the type of financial diplomacy employed in the Persian situation, a very promising rising of the Persian people was suppressed; and Persia is now a forlorn dependency, held in the grip of creditor nations. One remembers the reprehensible type of exploitation in the Congo region. So one might go on. If we are perfectly frank with the matter, we must agree that investments have been both good and bad, and that the problem of our world today is to support the good type of investments and to get rid of the bad type.

Leaving that line of thought for a moment, let us pass to the second—the relation of the investing groups in the several advanced nations to each other. Mr. Howe, in his paper, made the clear-cut statement that wars have been created by financial groups. That, I think, is a statement which would be challenged by a number of persons; and I suppose that the value of a discussion of this kind lies in the clarifying of such an important issue. If it is indeed true that modern wars have, in the main, been caused by financial groups, or, to put it in



reverse order, if the relations of the investing groups of the several nations have been such as to cause irritations and conflicts that have eventuated in war, then I think we have found a very important clue to the kind of settlement that must be made at the end of this war if a lasting world peace is to be assured.

I believe that Mr. Howe is fundamentally right in his contention. To the popular mind wars are still at root either racial or political. To the mind, however, which penetrates to causes, modern wars are essentially economic. Take, for example, the Russo-Japanese War. That war—to the popular mind a fight between races and governments—was in reality a war brought about to protect the considerable investments in the rich forest lands of the Yalu which had been made by a clique of Russian noblemen, including the Czar. The Russian army went into the war—half-heartedly enough, perhaps, but nevertheless—believing it to be a war of the Russian nation against the Japanese nation. They were fighting, so they thought—and so we thought—for Russia's "national" interests. As a matter of fact, if we look at the matter quite clearly, it was for the interests of a small controlling group of capitalistic noblemen that they were fighting.

This case is, I believe, typical. I need not pursue the matter by going into the economic issues of the Anglo-African war, the Balkan Wars, the war in Tripoli, the war-that-might-have-been over the Morocco crisis, and so on. It seems clear to me that the fundamental cause of modern wars has been the competition of small capitalistic groups controlling the governments of the several nations, and enabled, by reason of that control, to have at their command both the services of the foreign offices and the power of the army and navy.

The upshot of this whole discussion then is this: granted the beneficence of certain types of investments; granted the evil of other types of investments; granted, in addition, the fact that we have not only the evil of certain types of investments themselves but also the evil of groups in the several nations competing with each other under the cloak of "national interests," and we have the modern situation. If this

is, indeed, the modern situation, and if, in it, we find the tap root of our international evils, the simple question is, how are we going to change the situation in such manner that the evils which we now so widely deplore shall be eradicated?

Let us remind ourselves again of this: if we consider our difficulties today to be fundamentally political, we shall seek one kind of world reorganization; if we consider our difficulties fundamentally racial, we shall seek another kind of reorganization; if, however, we consider them fundamentally economic, we shall seek quite another kind of reorganization. Therefore if this picture of the international situation which has been painted for us this morning is a true one—and I think it is—we shall be induced to search for a type of world reorganization that is essentially economic.

What shall that be? The major difficulties in the whole situation have been the struggle of competing groups of financiers to control investment areas in the backward countries and dying empires—to open the doors of privilege to themselves and to close them to the groups from other nations. The escape from these difficulties, quite simply, lies in the complete repudiation of the principle that any group or set of groups shall have the right, with the aid of their national government, to control or monopolize areas of investment. Take the case of Morocco. Had Morocco been kept perfectly open to all investors—French, German, English, American and so on—all that rattling of the sabre that amused our cartoonists so hugely and that made statesmen grave, all the parleying and bluffing and sending of warships, all the secret dealings between France and England would have had utterly no excuse for being.

The crux of the whole matter, then, is precisely here: the investment areas of the world must be free. In other words, we must have free trade not only in the sense of a free exchange of commodities, but in the sense of free and equal investment privileges.

Now the securing of such an international open door for investments is not so difficult a matter as one might suppose. I find that the thought of most people about internationalism

is that of an organization of a great world state. That is a pretty large thing to engineer; and one may be pardoned for doubting whether it will be achieved at the end of this war. But if one reads the actual history of the internationalizing process, one gets quite a different conception of what the next steps in world organization are to be. For instance, take the International Postal Union. Most of us are not consciously aware of its existence; and yet there it is, working constantly, keeping this world together in an international way, performing one of the most far-reaching and essential tasks that there is in the world. What is this International Postal Union, after all? It is, in point of fact, a small section of international government. It has its specific tasks to fulfill, its specific international interests to conserve. It is international government, in short, within a specific sphere. Take, again, sanitation. In the old days there was absolutely no international regulation of sanitation. Ships and railroads might come and go, carrying with them the seeds of disease and pestilence. Today we have an International Sanitation Commission making the laws and enforcing the laws of international health regulation. This again, is a case of international government within a specific sphere. Again, we have in Europe, or did have before the war, an international railway commission to organize all those matters which concern inter-nation railway traffic. We have in Rome an international institute of agriculture. We have international commissions for the regulation of telegraph and radiograph services.

This is the way in which the international state has been growing into being—through the organization of commissions for the performance of special tasks in international government and administration. If we are wise, we shall expect, after this war, no sudden, large organization of an international state. We shall rather look to the continuation of the same kind of process which has been so successful in the past.

What then is to be the next step in the development of international government? Unquestionably, if we take the true course, it will be the formation of an international commission whose function it will be to organize this as yet un-

organized—really anarchic—matter of foreign investments; an international commission which will have for its specific task keeping investment fields open on free and equal terms to investors of all countries. Such a commission will look upon “spheres of influence” and “privileged concessions” very much as national commissions now look upon interlocking directorates and secret rebates. But not only will it have this task of freeing fields for equal investment; it will have the task also of scrutinizing all investments in backward countries to the end of determining whether they are made in terms that are decent and human or in terms that rob and oppress.

It is only a small step in advance then that the world need take in order to rid itself of what has, in the past few decades, been the most potent cause of wars. It needs no magnificent creation of an all-embracing commonwealth. It needs simply an extension of the kind of organization that has been achieved in the fields of postal service, sanitation, railroading, telegraphy etc., into this trouble-breeding field of foreign investment.

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## STEPS TO VICTORY<sup>1</sup>

D. F. HOUSTON

Secretary of Agriculture

THIS is a day of big things, of staggering questions, of unprecedented undertakings, and of incredible happenings. It is almost true that the incredible is the only believable and the impossible the only attainable. One can not be shocked or surprised or diffident any more. Therefore I entertained with complacency the suggestion that I meet you here and discuss the theme of the evening. It is unnecessary for me to confess that I am not wise enough to dispose of this subject to your satisfaction or to my own. I am not equal to it; but I have the satisfaction of knowing that all of you are not and even all of us at this head table are not. Perhaps a unified Allied council may discover, indicate and take all the necessary steps, but I am reasonably certain that nothing less will suffice.

There is one thing I like about the subject. It evidences the right spirit, the requisite determination, and a commendable and justifiable optimism. It assumes that we must and shall win, and win without undue delay. It implies that having put our hand to the plow we will not turn back, or even look back, and that we refuse to entertain the suggestion of possible failure.

A clear, fixed, unalterable purpose to attain the ends we had in mind in accepting Germany's challenge, based on a thorough appreciation of the meaning of this struggle and a willingness to make all necessary sacrifices, I regard as the first and last most essential steps to an early victory. This war is a test of the spirit of nations even more than of their material resources and strength. The issue of it depends on the relative intelligence, moral qualities, and attitude of the people engaged. Never before has there been a war which so effectively demanded the highest exhibition of intellectual capacity and also the unfaltering display of will power and moral courage. No more important duty confronts the leaders of thought everywhere than that of informing the national mind and of sustaining and confirming its spirit and

<sup>1</sup>Address delivered before the Economic Club of New York City on December 6, 1917.

purpose. Public opinion must be anchored and the motive for terrible sacrifices be firmly fixed. No matter what the difficulties, no matter what the seriousness of the strain, there can be no faltering. Civilization can not afford to entertain the thought of defeat. The challenge of Germany went to the roots of freedom and of national existence. There is no half-way house. Proposals to parley with an unbeaten enemy, who proclaims himself victor, indicate nothing less than a willingness to admit defeat. They spell relaxation of effort and demoralization. They mean assent to Prussia's century-old policy of extending her medieval patrimony by force and of gradually imposing her will on the world. They mean nothing more than a truce, "a truce with usury," a mere interruption of the strain and its assumption at a later day with interest compounded. All history points to this conclusion.

No greater dangers confront democracy than those which may arise from drifting, from mental or moral fatigue, from confused advice, from entertaining dangerous fallacies and indulging in friendly optimistic sentiments toward an implacable enemy. These are the dangers which extreme partisanship and pacifism breed. The pacifist is a constant menace; the mere partisan a criminal; and especially obnoxious is the vain omniscient partisan to whom the future is an open book, who alternately stirs up the public and assaults its enemies, censures everybody and everything except himself, indulges in irresponsible criticisms and misrepresentations, causing unwarranted popular confusion and unrest, generally giving aid and comfort to the enemy. These things must be abated through force of an educated public opinion if possible, but, in any event, must be abated.

The indications to date are numerous that the people of this nation as a whole have an effective appreciation of the meaning of the struggle and a willingness to make large sacrifices. It is necessary only to go among them to realize the strength of their sentiments and determination. Everywhere I have been impressed with the sound sense and fine spirit of the great majority of our citizens. In respect to patriotic attitude, I have confirmed my suspicion that there were no geographical boundaries to it, no North, no South, no East, no West, and that no section has a monopoly of intelligence or patriotism.

We may also judge conclusively the state of mind of the people by the action of Congress. This body represents public opinion

It does not adopt and pursue a course of action if the people are hostile. In six months that body has given to popular sentiment an expression without parallel in parliamentary annals. The first great step toward winning this war was taken when the president of the United States, on April 2, in advising Congress to declare the existence of a state of war with Germany, pointed out what war would involve and demand. The striking thing about that historic address was not so much the advice it contained, momentous as that was, but rather the clear perception it revealed of the magnitude of the task before the nation.

The response of Congress was prompt and adequate. It authorized and directed the president to employ the entire military and naval forces of the Union and pledged to the government all the resources of the nation to bring the conflict to a successful termination. The task of making good this pledge was entered upon and discharged in such manner as to startle many at home and to amaze even foreigners who had become habituated to prodigious operations. I well remember some characteristic remarks of Lord Northcliffe during his visit to Washington. Suddenly stopping and turning to me, he said, "Am I dreaming?" I asserted that he did not look like a dreamer. He continued: "I am told that Congress declared war on the sixth of April, authorized the Secretary of the Treasury to borrow approximately eleven and a half billion dollars, enacted a new tax law designed to raise two and a half billions in addition to ordinary revenues, appropriated or authorized nine billions for the army and navy, over a billion for ships, with a maximum authorization of nearly two billions, six hundred and forty millions for aeroplanes, credits to the Allies of seven billions, a total of actual appropriations and authorizations of twenty-one billions, gave power to commandeer plants, ships and materials, provided for conscription, which England had not fully resorted to and Canada had not then adopted, that there had been registered or enlisted nearly ten and a half million men, that Pershing was in France and naval vessels were in Europe, that the food-production and food-control measures had been passed, and that authority had been given for the control of exports and imports and of priorities." He repeated: "Am I dreaming or is it true?" I replied that unless I was dreaming it was true. He said: "I can't believe it." I told him I could believe it but that I could not comprehend it. It is difficult now to do so. The figures even for particular items

are beyond comprehension. Think of them. For ships an authorization of a billion nine hundred millions, nearly double our former federal budget; for aviation, six hundred and forty millions; for torpedo-boat destroyers, three hundred and fifty millions; for army subsistence and regular quartermaster supplies, eight hundred and sixty millions; for clothing and camp and garrison equipment, five hundred and eighty-one millions; for transportation, five hundred and ninety-seven millions; for medicine, one hundred millions; for mobile artillery, one hundred and fifty-eight millions; for ordnance stores and supplies, seven hundred and seventeen millions; for heavy guns, eight hundred and fifty millions; and for ammunition for the same, one billion eight hundred and seven millions.

Clearly Congress for the time being had taken the necessary steps to make good its pledge of placing the resources of the country at the disposal of the government. At the same time, it created or authorized the creation of essential administrative agencies. In respect to administrative agencies important developments had already taken place. Most striking and significant of all was the enactment of the federal reserve law and the creation of the reserve board and banks. This action obviously was taken without suspicion that the world was on the verge of war and that we should soon be involved. It was taken to insure better banking conditions in time of peace, and especially to enable us to weather financial storms. Before the reserve act was passed the nation, as you well know, had no adequate banking system. Its financial arrangements had never been able to withstand strain either in peace or in war. In each of our considerable struggles we had promptly suspended specie payments, with all the attendant disabilities and burdens. But now, after four years of world financial strain such as no financier dreamed it possible for the world to bear—I might say six years, because there was a world-wide financial chill for at least two years before 1914, due to apprehension of war and to the undoubted financial preparations made by the Central Powers—after this long strain and the shock of the last six months, our finances are sound and we are proceeding in orderly fashion. For this reason and because of our obligation to extend liberal credits, it is not extravagant to say that no greater contribution to the winning of this war has been or will be made than through the passage of the Federal



Reserve Act in 1913 and the successful establishment of the system well in advance of trouble.

Steps toward preparedness in respect to other highly essential interests were taken much before war was declared. Their significance was not grasped by the public at the time. For the most part they have been overlooked. Pursuant to an Act of Congress of March 3, 1915, two years before the war, the president appointed the National Advisory Committee for Aeronautics, composed of the most eminent students of the subject. In connection with the work of this committee and in part through its labors has been developed our enormous aviation program and expansion. Likewise, during the summer of 1915, the secretary of the navy organized the admirable Naval Consulting Board with Edison as chairman and two representatives elected by each of eleven great engineering and scientific societies. Furthermore, on September 7, 1916, after a long and unfortunate delay caused by unintelligent opposition, the Shipping Act was passed, creating a board with large powers, and appropriating fifty million dollars for the construction, purchase, charter, and operation of merchant vessels suitable for naval auxiliaries in time of war. This was the beginning of the present huge shipbuilding program whose speedy execution is of paramount importance.

But that is not all in the way of early preparedness. On August 29, 1916, the Council of National Defense, consisting of six heads of departments and an advisory commission of seven, nominated by the council and appointed by the president, was created. The council was charged with the duty of mobilizing military and naval resources, studying the location, utilization and co-ordination of railroads, waterways and highways, increase of domestic production for civil and military purposes, the furnishing of requisite information to manufacturers, and the creation of relations which would render possible the immediate concentration of national resources.

The creation of the Council of National Defense was not the result of sudden inspiration. It was directly suggested by the activities of two very important groups of individuals. In March 1916, a committee from the five great medical and surgical associations, having an aggregate membership of from 70,000 to 100,000, was formed. It met in Chicago on April 14, 1916, and tendered to the president the services of the medical men of the

nation. In March, also, representatives of five engineering organizations with a membership of 35,000 met in New York and formulated a plan to make an inventory of the country's production and manufacturing resources. The thought and purposes of these two bodies were brought to the attention of the president, and their consideration resulted in recommendations for the creation of the Council of National Defense.

Thus, a number of months before war was declared, agencies had been created covering at least in outline many of the essential new activities. Seven of these of peculiar importance had begun to find themselves and to chart their course. I refer to the shipping board, the aviation, the medical, the manufacturing, the transportation, the munitions, and the labor committees. When war came these bodies greatly speeded up their work. Others were created—among them, the Food Administration, the Fuel Administration, the War Trade Council, the War Trade Board, and the War Industries Board.

The last is of unique importance, and yet its work is little understood. Its members are the direct representatives of the government and of the public interest. The tasks of the board are stupendous. It acts as a clearing-house for the needs of the government, determines the most effective ways of meeting them, the best means of increasing production (including the creation of new facilities), the priority of public needs and also of transportation. It considers price factors, the labor aspects of industrial operations, and large purchases of commodities where market values are greatly affected, and makes appropriate recommendations to the secretaries of war and the navy. Judge Lovett is in immediate charge of priorities, Mr. Baruch of raw materials, and Mr. Brookings of finished products. These three constitute a commission for the approval of purchases by the Allies in this country from credits made through the secretary of the treasury. I need only remind you of the items of the appropriations for supplies, ordnance and other things, to impress you with the magnitude of the board's task. Its machinery is not yet perfect but it is working, and I am sure that no step will be omitted to make it as nearly adequate as possible. If a better scheme can be devised, it should be promptly adopted. It is obviously of the highest importance that the resources of the nation, made available by Congress, should be administered with the utmost skill and effectiveness.

No machinery is of great value unless it is properly manned. The right sort of men is the first requisite of any kind of successful enterprise. I believe this requisite has been satisfied and that the nation is mobilizing for this emergency additional men of as high character and fine talent as it possesses. Where so many are involved special mention is invidious, and I cite the names of the following merely as samples: Willard, Gompers, Baruch, Rosenwald, Coffin, Martin, and Godfrey; Hoover, Garfield, Vanderlip, Davison, Vauclain; McCormick, Thos. D. Jones, Lovett, Brookings, and Frayne; Dr. Anna Shaw, Mrs. Phillip Moore, Mrs. Cowles, Mrs. Catt, Miss Wetmore, Mrs. Lamar, Mrs. Funk, Mrs. McCormick, and Miss Nestor; and Drs. Simpson, Crile, Janeway, Flexner, Vaughn, Mayo, and Welch—all fine types of American citizenship, only a few of the hundreds working in their respective spheres in the nation and in the states, having no selfish end to serve, working with an eye single to the public interest and to the winning of this war, giving freely their services in as fine spirit as the nation ever witnessed, revealing the real strength of democracy.

So much, and perhaps more than enough, as to the congressional pledge of resources and the creation of machinery. Let us turn to other matters which I am sure you have in mind. I know you are asking what is being accomplished. What are the results? Obviously, some of them it would be inadvisable to indicate. Others I can only hint at. For the most part they have been detailed to the public through one agency or another from time to time. I shall try to summarize.

The nation has today in all branches of its military services under arms and in training over 1,800,000 men, some in France, some on the ocean, and others in camps or at their posts of duty at home. Approximately ten and a half millions of men have been enlisted in the regular army, incorporated in the national guard, or registered under the draft act. Those registered but not yet called out are being classified on the basis of national need. Rapid headway has been made in training subordinate officers, and the gigantic undertaking of providing suitable quarters or camps for the men in training has practically been finished. The nation now has thirty-five army cantonments, sixteen for the National Army, sixteen for the National Guard, two at points of embarkation and one for the quartermaster's training school, all complete in respect to buildings or tents,

lighting, sanitary arrangements, and temporary roads. The National Army cantonments were completed within the time set by the General Staff. What this involved can not easily be set forth. It entailed the selection of sites, the planning of buildings, the securing of responsible contractors, the mobilization of labor, the assembling of materials, and the construction of modern hospitals and roads. These camps alone cover 150,000 acres and called for the use of 75,000 carloads of materials, including 500,000,000 feet of lumber. Their cost was approximately one hundred and twenty-eight millions of dollars. The work was begun June 15 and the finishing touches were put on by December 1. In addition sixteen canvas camps for the National Guard were completed at a cost of approximately forty-eight millions of dollars. Thus local habitations were quickly provided for the new army, superior in respect to ventilation and conveniences to the best practice of Europe.

Five instrumentalities or factors highly necessary for victory, it may be asserted without hesitation, are destroyers, the enemies of the submarine, airplanes, ships, medical service, and food. What of these?

Of the first, the torpedo-boat destroyers, all I may say is that the construction program of the navy contemplates 787 ships of all types at an estimated cost of \$1,150,000,000, including additional destroyers costing \$350,000,000. The latter are to be of uniform standard model, large and fast. Some are to be built within nine months, and all within eighteen months. This vast and urgent undertaking required a great extension of building facilities, and, as private capital was unable or unwilling to make the extensions, the government had to do so. When completed these plants belong to the nation. I may add that these destroyers will require thousands of men to man them. The men are being trained and when the vessels are completed the crews will be ready.

The work for the control of the air grows apace. Of the great aviation training fields, seventeen in number, two are old, one is rebuilding, seven were practically completed by September 1, and seven others will be finished within two weeks. In addition, there are in operation today at leading universities ten ground schools giving preparatory instruction in flying. Finishing courses are being given to our students in most of the Allied countries and more than thirty experienced foreign air veterans have

been loaned to us for duty in Washington and elsewhere. The building program calls for twenty thousand machines. It will be expedited by reason of a great and interesting achievement, that of a standardized engine, something which no European nation has developed even after three and a half years of war. This accomplishment is in line with the best American traditions, and was made with unique speed. What standardization of the engine and of its parts means in respect to speed and quantitative production, in repairs and economy of materials, need not be dwelt upon. It has been estimated that the service when in full strength will require a full force of 110,000 officers and enlisted men, an army greater than our regular military force of a few months ago.

All agree that the enemy submarine must be destroyed. In the meantime shipping sunk by them must be replaced. England must not be starved. Supplies to all the Allies must go forward without interruption. Our own troops must be transported and provided with everything essential for effectiveness and comfort, and domestic transportation of men and commodities must be maintained and greatly increased. Furthermore, commodities must be brought here from many distant places. Therefore we must have ships, more ships, at once. Nothing more urgent! How is this matter proceeding? In the first place, the Shipping Board on August 3 commandeered 426 vessels either in course of construction for domestic or foreign account or contracted for, with a tonnage of over 3,000,000. Thirty-three of these ships, with a tonnage of 257,000, have been completed and released. German and Austrian ships with a capacity of 750,000 tons have been taken over for government use. The Fleet Corporation has contracted for 948 vessels with a total tonnage of 5,056,000, of which 375, with a tonnage of one and a third million, are wooden; 58, with a tonnage of 270,000, are composite; and 515, with a capacity of 3,500,000, are steel. All these ships have an aggregate tonnage of 8,835,000, or nearly a million and a half tons more than the regular merchant marine of the nation in 1916. Contracts for 610,000 tons additional are pending. The total building program calls for over 10,000,000 tons, and it is proposed that a considerable part of it shall be executed by the end of 1918. The nature of this task may be more easily appreciated when it is remembered that the construction in the United States for 1916 did not exceed 400,000

tons and that the average for the five years preceding was 350,000 tons. At present there are one hundred yards building ships, exclusive of twenty building the commandeered vessels, and of these one hundred, seventy are new. The policy of standardization has been pursued and five classes of ships have been adopted.

I have already referred to the preliminary steps toward medical organization. Further action was promptly taken. An inventory was made of the medical resources of the nation, of doctors, nurses, and others who could be called by the surgeon general, and of hospitals and supplies. Courses in modern military medicine and surgery for third and fourth-year students were formulated and adopted by seventy-five of the ninety-five medical schools in January 1917. It was known that eighty per cent of the instruments used in this country were made in Germany. It was necessary to develop their production here, and to facilitate this the first essential step was to introduce standardization, to resort to staple articles. More liberal standards were authorized and the variety of types was greatly reduced. Instead of scores of kinds of scissors a dozen were agreed upon. Instead of many sorts of needles, forceps and retractors, two, three, or four types were adopted. Manufacturers were given priority of materials and consequently full military orders will be delivered in less than eight months. It is illuminating that one concern, taking its chances, had manufactured according to specifications, by the time it was awarded a contract, enough material to require ten carloads of lumber for packing. This was the result of the efforts of seventy-five of the most eminent medical specialists of the nation, working with the military staff in contact with two hundred and fifty leading manufacturers.

The peace strength of the medical forces of the army was 531 and of the navy 480. Now the surgeon general of the army has in his regular force and in the new enrolment of physicians actually accepting commissions 16,432, a number sufficient for an army of two and one-third millions, and a dental force of 3,441, adequate for an army of 3,400,000. The navy now has 1,795 medical officers, a number in excess of present needs. The Red Cross has enrolled 15,000 trained nurses, organized forty-eight base hospitals with 9,600 doctors, nurses and enlisted men, sixteen hospital units with smaller staffs to supplement the work of the base hospitals, is furnishing supplies to thirty-

five hospitals of all sorts in France, and since May has raised over \$100,000,000.

What shall I say about the organization of agriculture for the production of food, clothing and other materials? It is unnecessary to dwell upon the need of an adequate supply of food for the civilians and soldiers of this nation and also for those of the nations with whom we are associated. When we entered the war, this country was and had been facing an unsatisfactory situation in respect to its supply of foods and feedstuffs. The production in 1916 of the leading cereals was comparatively low, aggregating 4.8 billions of bushels as against 6 for 1915, 5 for 1914, and 4.9 for the five-year average. The wheat crop had been strikingly small, and it was certain that on account of adverse weather conditions the output for 1917 would be greatly curtailed. The situation was no better in respect to other conspicuously important commodities such as potatoes and meats. The need of action was urgent and the appeal for direction insistent. The nation looked for guidance primarily to the federal department and to the state agencies which it had so liberally supported for many years. It was a matter of great good fortune that the nation had had the foresight, generations before, in another time of national stress, in 1862, to lay soundly the foundations of agriculture. In respect to agencies working for the improvement of rural life the nation was prepared. In point of efficiency, personnel and support, it had establishments exceeding those of any other three nations combined, and a great body of alert farmers who were capable of producing two or three times as much per unit of labor and capital as the farmers of Europe.

Steps were quickly taken to speed up production. In a two-day session at St. Louis, the trained agricultural officers of the country conceived and devised a program of legislation and organization, the essential features of which have not been successfully questioned, and the substantial part of which has been enacted into law and set in operation. Initiative was not wanting in any section of the Union. Effective organizations quickly sprang up in all the states, and the services of experts everywhere immediately were made available. The response of the farmers was prompt and energetic. Weather conditions for the spring season were favorable and the results are that crop yields have been large and that the nation is able not only to feed itself but

in considerable measure to supply the needs of those with whom we are co-operating.

That the farmers of the nation have responded generously to the appeals for increased production and that much has been done to insure a large supply of foods and feedstuffs, justifies no let-down in their activities or in those of all agricultural agencies. On the contrary, even greater efforts must be put forth in the coming months, if we are to meet fully the civilian and military demands. There must be no breakdown on the farms, no failure of foods, feedstuffs or clothing. Especially must we have a more abundant supply of meats and fats to replenish the stores of the long-suffering Allies.

Many difficulties confront the agricultural forces. Fertilizers are scarce. Farm machinery has advanced in price and transportation is burdened. To secure an adequate supply of labor everywhere will demand our best energies. Especially serious to the farmer is the task of retaining on his farms his regular year-round help. An army could not be raised without taking men from every field of activity, and it would have been unfair to any class to have proposed its complete exemption. The problem is a constructive one. Mere complaint is useless. Our aim is to secure even greater production from the labor on the farms; and it must be attained. Farmers in the same community must co-operate with one another more actively. Forms of labor not heretofore regularly or fully utilized must be employed, and plans for the shifting of labor from places where the load has passed to communities where there is urgent need must be perfected. Whether more drastic action will be needed remains to be seen. General conscription would present many difficulties. Several things are certain. Relatively non-essential industries must be prepared to release labor and capital for essential undertakings; and either through state or federal action, any able-bodied individuals who can but will not do useful work must be pressed into the service.

It would appear then that the courses we must follow, the directions we must take to win victory, have been indicated and charted. While corrections and extensions will be made, I am confident that the important essential steps have been taken and that success will come rather through steadying and expediting these than through any novel enterprises. Unquestionably, the co-ordination of all domestic agencies, governmental and private,



must be perfected so that the nation may direct its great energies and resources with full effect against the enemy. I am equally confident that the most "practical co-operation in counsel and action with the governments now at war with Germany" must be secured. What specific form that shall take, I am not wise enough to suggest; but, that there must be unity of policy and effort, the wisest utilization of our combined resources, and the most skilful strategical handling of military and naval forces on the basis of international and not of particularistic interests under an unhampered common control, seems to admit of no manner of doubt. Mistakes may be made even then, but not so many or so serious ones as may be made if there are as many programs as there are nations involved. Campaigns can not otherwise be successfully conducted and battles won against great powers having the advantage of interior lines and of a single, absolute directing mind. The solution of this problem is the present pressing need for victory now or later.

Furthermore, we must keep in the forefront of our thinking the imperative necessity for maintaining the integrity and soundness of our finances. To this end, it seems to me the people of the nation, after adjustments have been made to changed industrial conditions and to the new revenue legislation, must be prepared increasingly to meet the burdens of this war through just and equitable taxation. If they can be convinced of the plain truth that the easiest way immediately and ultimately to bear the financial burdens of war is to meet them as they arise, as largely as possible through taxation, the task will be relatively simple. This is a fact, but not an obvious one. Centuries of unsound traditions and many delusions stand in the way. There is the singular misapprehension that by borrowing, the burden of waging a war to that extent can be shifted to future generations. If this were true, there would be no definable limit to the extent and variety of war that the present generation could wage. The truth is that in a nation like ours, not borrowing abroad, whether control of wealth is secured through taxes on all or in part through loans from the few, the people pay for the war as it proceeds, and that if the books were closed at the end of the war, the nation would have paid for it. The iron, the steel, the coal, the clothing, the shoes, the lumber, the ammunition, the guns, and the ships secured by the government are used and destroyed at the time, and, for the most part, can not later be

enjoyed. By borrowing, a burden, it is true, is placed on the people after the war, but it is a burden of restitution. A credit relation is set up and an obligation on the part of all is incurred to pay back with interest the wealth the nation has used. The main fact is that the wealth is taken and consumed by the nation at the time. The burden is borne while the war is on. As I see it, there are only two really plausible arguments that may be made for resorting mainly to loans—one a psychological argument, namely that the people do not effectively appreciate the necessity for the war, and would be impatient or resentful; the other, a physical one, that it is difficult in time to devise an equitable measure, to administer it, and to secure revenue promptly. The former argument should appeal more strongly in an autocracy than in a democracy, and especially in one which so quickly perceived the justice and need of a conscription of men. The second applies with diminishing force as the war is prolonged and time is afforded for action.

If it be true that the burden of war is actually borne at the time, then it follows that the capacity of a nation to wage war is measured by its ability to maintain production, and especially to save—to abstain from luxuries, and to stop waste. Hence the importance of our many appeals in this direction.

And let us not be deluded by exaggerated reports of the rapid growth of our wealth into thinking that we can meet the burdens of this war without further increased production and economy. There is danger of this when figures come from responsible sources without proper interpretation and explanation. In such times as these, statements of wealth in terms of dollars may mean relatively little. The nation has been informed for instance that the value of the 1917 output of farm products is twenty-one billions of dollars, whatever that is—a sum equal to the total appropriations and authorizations made by Congress in its last session for war purposes. Newspapers have written editorials about it. We are told that no land ever before produced so great farm values, that it is providential that these blessings are heaped upon a worthy people, and that America has the will to place this unexampled treasure at the service of the world. These statements are true, and very misleading. The simple fact is that the actual volume of agricultural things produced, bushels of cereals, bales of cotton, number of hogs and sheep, and some other things, is smaller than in 1915, and that consumers simply gen-

erally get much less for a dollar. The same statement may be made in a measure as to the reported statistics of industrial production. It is highly important that these things be seen in the right light, and that they be not permitted to impair the motive for saving.

Now, taxes have this advantage over loans: they more directly enforce economy. It is true that, whether we part with our wealth through taxes or the loan of our savings, we shall have less to spend on ourselves, but it is not always true that we make our loans from our realized savings. Just there is the difficulty. To pay our subscription we not infrequently resort to borrowing beyond our willingness to save, and thereby set in operation processes which may result in undue expansion of credit. Taxation, especially on consumption, more particularly on luxuries, tends more directly to enforce saving, to keep the general level of prices steady, to check investment in non-essential directions, and to release capital and labor for urgent needs. But after all, large sums must be secured through loans. Borrowing in itself will not necessarily bring about an undue expansion of credit and an advance in prices. It may promote saving. It will do so if payments are made from funds on hand or with savings from current income. It is, therefore, of the first importance to the successful prosecution of the war that the disposition of the people to economize be stimulated. The conception of the war savings certificate plan was, for this purpose, a peculiarly happy one, and its promotion must receive the cordial support and endorsement of financial leaders everywhere.

That we have the physical resources to win this war, if they are properly conserved, I entertain no doubt; that we have these in larger measure than any other nation in the world is a matter of common knowledge. We have not yet fully realized the enormous power of the country. If in the sixties, when we were a simple, crude, undeveloped nation, doing things, relatively speaking, on an "ox-cart" basis, with the question yet undetermined whether we were to be one nation or two, we could wage the mightiest war up to that time and issue from it with unrivaled power, what can we not do today, with a united people and with immeasurably greater resources, if our spirit is right and our purpose is steadfast? Unless the descendants of the men who followed Grant and Lee are degenerate, there can be no question of the ultimate outcome. It is time for each individual

to search his heart and to purge his mind and purpose of selfish motives and for each class in society to think in terms of the nation rather than in terms of its own interest. It is no time for any class to hug to its bosom the delusion that it possesses a monopoly of patriotism. Human nature is pretty evenly distributed, and no little selfishness manifests itself in every direction. Unfortunately there are self-seekers in every group, men who assume the attitude that if they are to make additional efforts to increase production or to serve the country, the nation must pay them the price. Their patriotism, it is implied, needs to be stimulated. This is impossible because there is no foundation to work upon. I have heard many manufacturers solemnly assert that, if the government wished them to speed up their operations, to extend their plants, or to take additional trouble in any direction, it must guarantee to them an abnormally large profit in addition to the requisite allowance for amortization. One of them recently suggested to me that he was getting weary of the burdens he had assumed and that, if the government wished him to continue or to undertake new tasks, it would have to induce him to do so by permitting him greatly to increase his profits. What would he or others say of a soldier, of a man drafted into the army, who protested that for so much he would go to the seaboard, but, if the government wished him to go abroad, it must stimulate him with a twenty-five-per cent increase in his pay, or, if he went to the front trenches, with fifty per cent? In the words of the president:

Patriotism has nothing to do with profits in a case like this. Patriotism and profits ought never in the present circumstances to be mentioned together. It is perfectly proper to discuss profits as a matter of business . . . but it would be absurd to discuss them as a motive for helping to serve and save our country. . . . In these days of our supreme trial, when we are sending hundreds of thousands of our young men across the seas to serve a great cause, no true man who stays behind to work for them and sustain them by his labor will ask himself what he is personally going to make out of that labor. No true patriot will permit himself to take toll of their heroism in money or seek to grow rich by the shedding of their blood.

I can conceive that each individual, no matter what class in society he belongs to or what service he renders, whether he be a manufacturer, a farmer, a laborer, a lawyer, a scientist, or a soldier, will take pains to see that he attains for himself and his

operations the highest degree of efficiency and gives the maximum service or products to the nation at the lowest cost consistent with efficient operation and effective standards of living; but it is inconceivable to me that any citizen who dares to call himself a patriot should aim to do less or to seek mere selfish advantage. It is obviously the duty of each civilian to reveal by his conduct the same standards of patriotism, devotion and sacrifice, if necessary, either of life or of property, that we expect from the men whom we send to the front directly to bear the brunt of battle. I am confident that it is in this spirit that most of the people of the nation are viewing their obligation and that the great body of public sentiment will permit no other attitude to manifest itself in those who are less right-minded. There can be no slacking, no turning back. The rights of the nation must be vindicated and its institutions preserved. Those who would keep the people of the world from going about their business in orderly and decent fashion must be taught a lesson once for all. Guarantees that there shall be no recurrence of such a world calamity as the present must be enforced. A finish must be made once for all to all things feudal, humanity must be safeguarded, democracy impregably entrenched, and the lesson forced home that the worthy and tolerable national aspiration is to have a clean national household from cellar to attic. A durable and righteous peace must be secured, in accordance with the recent history-making declaration of the president, in itself a great step toward victory—a peace on the basis of reparation, justice and security.

## APPENDIX I

### EXTRACTS FROM THE REPORT OF THE SECRETARY OF AGRICULTURE FOR 1917, DEALING WITH THE QUESTION OF FOOD PRODUCTION

When, on April 6, 1917, the existence of a state of war with Germany was declared by Congress, this country was facing an unsatisfactory situation in respect to its supply of foods and feedstuffs. The production in 1916 of the leading cereals, corn, wheat, oats, barley, rye, buckwheat, rice, and kafirs was comparatively low, aggregating 4,806,000,000 bushels, as against 6,010,000,000 for 1915, 4,983,000,000 for 1914, and 4,884,000,000 the annual average for 1910-1914. The wheat crop of 1916 especially was strikingly small. It was only 639,886,000 bushels, as compared with the record production for 1915 of 1,026,000,000, with 891,000,000 for 1914,

and with the average for the five years 1910-1914 of 728,000,000. It was certain, too, that on account of adverse weather conditions, the output of winter wheat for 1917 would be greatly curtailed. The world production of wheat for 1916 also was unsatisfactory, and the prospects for the ensuing year were not good. The situation was no better in respect to another conspicuously important food commodity, the Irish potato. The yield of this crop for 1916 in the United States was only 285,437,000 bushels, while for 1915 and 1914, respectively, it was 359,721,000 and 400,921,000. For the period 1910-1914 it averaged 360,772,000.

Even in normal times public attention fixes itself particularly on the supply of wheat and potatoes. In time of war it does so much more intensely, especially on the supply of wheat, which is peculiarly important from a military point of view. Because of their shortage here and elsewhere and because of the large foreign demand, apprehension and, in some quarters, hysteria developed. The supply of meats and of poultry and dairy products was somewhat larger than in the years immediately preceding, but the foreign demand was great and increasing and exports were steadily rising. It was obvious that the supply of feedstuffs would not be normally abundant, and that it would be difficult to maintain the usual number of live stock, and practically impossible within a reasonable time to increase it. Then, too, competitive purchasing by foreign agencies on a large scale of all food products was prevalent, and manipulation and speculation were rife. Prices were mounting rapidly and conditions of living were becoming more difficult.

#### *Initial Efforts to Increase Production*

It was recognized even before the war that the food problem was serious and that constructive action was necessary. This department accordingly had taken steps to allay unnecessary apprehension, to promote economy and thrift, to secure fuller conservation of farm products and of foods, and to insure increased production of all essential agricultural commodities. The many agricultural agencies of the nation began to direct attention to these problems and to co-operate effectively with the department. The increased need of this nation and of the world for food from our farms and the importance of greatly increasing production were emphasized. In the south, in particular, where effective work had been done for years to secure a diversified agriculture and greatly to increase yields of staple commodities and where unusual opportunities to increase food products were presented, a special campaign was conducted by the department in co-operation with agricultural colleges and other agencies, with the effective aid of the daily press, agricultural journals, farmers' associations, bankers, and other business men. Many pertinent bulletins and circulars were distributed. The farm-demonstration machinery was fully utilized. More energetic action everywhere was taken to combat plant and animal diseases.

In January 1917, appeals were sent to the South to help feed the nation, to supply its own necessities so far as possible, and to produce a surplus of foodstuffs. It was urged especially that each farm family make a home garden, plant enough corn to last the family and the live stock for a year, raise sufficient oats and other small grain to supplement the corn, as well as the necessary hay and forage crops for the live stock, and produce the meat, poultry, and dairy products required by the family; and also to devote adequate attention to cotton as the main money crop.

In February special emphasis was laid on the necessity of raising beet seed on a large scale to make certain a larger supply of sugar beets. It was pointed out that before the war the beet-sugar industry had been almost wholly dependent on Europe for its seed supply, and that superior seed could be produced in this country, which could be further improved by selection and breeding. About the same time a warning was issued to cattle owners to make arrangements for the proper feeding of their cattle until spring, in order to prevent heavy losses in breeding animals. In each instance suggestions as to the methods to be followed were offered.

In March it became certain that a large percentage of wheat in the West and Pacific Northwest had been winterkilled. Information as to the course to be pursued was issued to the farmers of the winter-wheat section. It was suggested that where the crop had been not more than half killed it might be advisable to let the remainder grow, but that some other food crop should be started without delay.

In the meantime, I had appointed a committee of specialists of the department to study the whole agricultural situation and to make recommendations. On the 27th of March I issued a statement urging farmers to adopt measures to secure maximum returns from the farms. Special attention was directed to the necessity of careful seed selection, of controlling plant and animal diseases, and of conserving farm products through proper storage, canning, drying and preserving. On the 5th of April a special plea was made for an increased production of corn and hogs, and on the 7th of April I appealed to the farmers to increase the output of staple commodities as well as of perishables.

#### *The St. Louis Conference*

On April 4, two days before a state of war with Germany was declared, I telegraphed to the state commissioners of agriculture and presidents of the land-grant colleges—the official agricultural representatives of the several states—inviting them to a conference in St. Louis on April 9 and 10, 1917. Editors of farm journals were asked to meet at the same place on April 11. It was thought to be highly desirable to secure the views of the official agricultural representatives of the states and of other leaders of agricultural opinion. There was a generous response to the invitation. Very many of the state commissioners of agriculture and representatives

of nearly all the agricultural colleges east of the Rocky Mountains were present at the two days' meeting. Sixty-five officials represented thirty-two states. On the third day about seventy-five representatives of the agricultural press were present. A similar conference for the states west of the Rocky Mountains was held at my request at Berkeley, California, on April 13, under the leadership of President Benjamin Ide Wheeler, of the University of California.

At the St. Louis conference the entire agricultural situation presented by the emergency was thoroughly discussed. The major problems considered were the production of sufficient foods and feedstuffs not only for this country but also for the nations of Europe with which we are associated in this war, the conservation of farm products and of foods, the mobilization of farm labor, the regulation of storage and distributing agencies, and the further organization of all the nation's agricultural instrumentalities—national, state and local. A comprehensive program for execution under existing law and for additional legislation was unanimously adopted. This program was communicated to the Berkeley conference, which concurred in it. It is noteworthy that in two days the agricultural leaders of the country drew up a program the wisdom of the essential features of which has not been successfully questioned and the substantial part of which has been embodied in the Food Production and Food Control Acts. The prompt and effective handling of the situation was made possible by reason of the fact that the American people, generations before, had wisely laid the foundations of many agricultural institutions and had increasingly liberally supported their agricultural agencies. The nation was fortunate in having had in existence for many years, for the purpose of promoting scientific and practical agriculture, its federal Department of Agriculture, and a department of agriculture and a land-grant college in each state, as well as great farmers' organizations. It is interesting to note that two of these agencies, the federal department and the land-grant colleges, had their national official recognition and their real origin in another period of stress—in 1862—in two acts of Congress approved by Abraham Lincoln.

It was recognized as of special importance that the views and co-operation of the great farmers' organizations of the nation and of leading individual farmers be secured. I therefore invited representative farmers to come to Washington on April 23 to give advice and to make recommendations. They included mainly officials of the National Grange, the Farmers' Educational and Co-operative Union, the Gleaners, and the Farmers' National Congress. The American Society of Equity was invited to send a representative. It was unable to do so, but proffered its co-operation. At this conference the agricultural problems confronting the nation were again thoroughly canvassed. In general, the suggestions and recommendations officially made to the Senate in my communication of April 18 were indorsed.



*Organization*

In the meantime, pending action by Congress, the federal Department of Agriculture, the state departments, the land-grant colleges, and other agencies actively devoted their attention to the immediate task in hand. Working in close co-operation with one another and with the farmers' organizations throughout the nation, they immediately took steps to execute that part of the plan which had reference to a more perfect organization and co-ordination of the nation's agricultural activities. The task was promptly undertaken of promoting in each state, in connection with the state council of safety, the organization of a small central division of food production and conservation composed of representatives of the state board of agriculture, of the land-grant college, of farmers' organizations, and of business agencies. It was suggested also that similar bodies should be provided for each local subdivision, and all were requested to devote their energies to the problem of increasing the production and conservation of food supplies and of promoting more orderly and economical marketing. Copies of the recommendations of the St. Louis conference and of those made to the Senate on April 18 were sent to the governor of each state. It was urged that attention be given immediately to the perfecting of agricultural organizations along the lines indicated.

*Inauguration of Food Administration*

As a further step in organization, the Council of National Defense on April 5 invited Mr. Herbert Hoover to return to this country to advise with the council in reference to the domestic handling of food supplies and the most effective ways of assisting the European nations with which we are co-operating to satisfy their food necessities. Subsequently, on May 20, after the food-production and food-control bills had been outlined substantially in the form in which they were finally adopted, the president issued a statement indicating that he had asked Mr. Hoover to undertake the important task of food administration. The purposes of the proposed Food Administration and the necessity for it were set forth. It was stated that a sharp distinction would be drawn between the normal and emergency activities of the government represented in the Department of Agriculture in reference to food production, conservation and marketing on the one hand, and the special activities necessitated by the war relating to the regulation of food distribution and consumption on the other. It was explained:

All measures intended directly to extend the normal activities of the Department of Agriculture in reference to the production, conservation and marketing of farm crops will be administered, as in normal times, through that department, and the powers asked for [in the food-control bill] over distribution and consumption, over exports, imports, prices, purchase and requisition of commodities, storing and the like which may require regulation during

the war will be placed in the hands of a commissioner of food administration appointed by the president and directly responsible to him.

On June 12 the President, in a letter to Mr. Hoover, expressed the opinion that the inauguration of that portion of the plan for food administration which contemplates a national mobilization of the great voluntary forces of the country which are ready to work toward saving food and eliminating waste admitted of no further delay. It was pointed out that while in many ways it would be desirable to await complete legislation establishing the food administration, it seemed that, so far as volunteer effort could be assembled, there should be immediate action. Accordingly, Mr. Hoover was authorized to proceed in this direction at once.

### *Legislation*

In compliance with a resolution of the Senate, on April 18 I transmitted to it certain proposals for increasing the production, improving the distribution, and promoting the conservation of farm products and foods. The suggestions were based in large measure upon the program adopted at the St. Louis and Berkeley conferences. The Committee on Agriculture in each house soon afterward took the matter in hand, held extensive hearings, and finally formulated two measures. In the preparation of these, there were two leading thoughts in mind. One was to speed up and add to the activities of the federal Department of Agriculture and its co-operating forces, so that they might attack aggressively the larger problems of production, conservation of farm and ranch products, home economics, and farm marketing. The other was to vest in the president regulatory powers, in considerable part of a commercial nature, to be exercised through an emergency agency rather than through any existing department, to deal with special and urgent national and international food problems growing out of the war. After an extended debate the two bills—the food-production and the food-control—were passed by Congress and approved by the president on August 10. Immediately upon the approval of the Food Control Act, Mr. Hoover was formally appointed food administrator to execute the provisions of the act as far as they relate to food and feedstuffs.

The Food Production Act—"an act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products"—is administered by the Department of Agriculture, and carries an appropriation of \$11,346,400 for the following purposes:

1. The prevention, control and eradication of the diseases and pests of live stock; the enlargement of live-stock production; and the conservation and utilization of meat, poultry, dairy and other animal products, \$885,000.

2. Procuring, storing and furnishing seeds for cash at cost to farmers in restricted areas where emergency conditions prevail, \$2,500,000.

3. The prevention, control and eradication of insects and plant diseases injurious to agriculture, and the conservation and utilization of plant products, \$441,000.

4. The further development of the Extension Service which is conducted in co-operation with the agricultural colleges in the various states, \$4,348,400.

5. Surveys of the food supply of the United States gathering and disseminating information concerning farm products, extending and enlarging the market-news service, preventing waste of food in storage, in transit, or held for sale, giving advice concerning the market movement or distribution of perishable products, and investigating and certifying to shippers the condition as to soundness of fruits, vegetables and other food products received at important central markets, \$2,522,000.

6. The development of the information work of the department, enlarging the facilities for dealing with the farm-labor problem, and extending the work of the Bureaus of Crop Estimates and Chemistry, \$650,000.

While the food-production bill was pending in Congress, detailed plans were formulated for carrying out its provisions as soon as it should become law. The department therefore was ready to proceed promptly and effectively with their execution.

#### *Relation to Food Administration*

It was apparent that the Food Production and the Food Control Act dealt with very closely related matters, that effective co-operation between the Department of Agriculture and the Food Administration was essential, and that needless duplication of effort should be avoided. It was recognized that the relation between the two agencies was intimate and fundamental; that it was impossible completely to disassociate them and undersirable to do so. After a full conference a satisfactory working agreement was reached.

In a broad way, the Food Administration has as its prime functions the control and regulation of the commercial distribution of foods and feed-stuffs, that is, of products which have reached the markets and are in the channels of distribution or in the hands of consumers, their conservation by consumers, and the elimination of waste, through the employment of regular official as well as volunteer agencies.

The Department of Agriculture continues to administer the laws placed under its jurisdiction and to direct its activities in reference to production. It also continues to make the investigations authorized by Congress and to furnish assistance to farmers and live-stock men in the marketing of their products; to stimulate organization among producers for the distribution of their products to the markets; and to promote the conser-

vation of farm and animal products, especially of perishables through canning, drying, preserving, pickling and the like. It retains its work in home economics, as provided by law, and co-operates in this field as heretofore with the agricultural colleges, through the Extension Service. It directs all these undertakings in greatly expanded form under the authority and with the funds provided by the Food Production Act. In their promotion it utilizes its own official machinery and enlists the aid of volunteers.

In the main, the Department of Agriculture deals with all the processes of farming and follows the products through the markets to the point where they are available, and are in requisite form, for actual consumption. It aids in these processes through investigation, advice and demonstration; only in the case of certain products and processes has it regulatory authority. The Food Administration, however, has wide powers of regulation and direction of food materials and food products. Where the Food Administration through its powers can be of assistance to the Department of Agriculture in its field, it is at liberty freely to make suggestions, and, when necessary, to co-operate in execution; and the same relation obtains as to the department's participation in Food Administration matters in which it has a vital interest and toward the promotion of which it can be of assistance.

#### *Additional Machinery Developed*

It early became apparent that there would be no little delay in framing and passing the necessary legislation. Time was the essence of the situation. Prompt action was necessary. It was essential that many of the recommendations included in the St. Louis program should be put into effect. Farmers already were in the field or had made their plans for the season. The department and the state agencies therefore speeded up their work along the most promising lines with the forces and funds at their command. Projects not having an immediate bearing on the emergency were set aside in order that the energies of the workers might be concentrated on the main problems.

Assuming that Congress would enact, in part at least, the legislation desired to stimulate production and to promote conservation, the Department of Agriculture, in co-operation with the land-grant colleges, undertook the preliminary work of developing additional machinery and agencies; and in a number of states these additional agencies, including especially an extension of the farm demonstration force, actually were put into operation.

It was recognized that the Co-operative Extension System, with its combination of federal and state administrative officers and specialists, county agents, home-demonstration agents, farm bureaus, and other local organizations, furnished a ready and effective means for the nation-wide dissemination of the needed facts, as well as for practical demonstrations

of the best methods of increasing agricultural production and securing the most economical utilization of the products of the farm. With remarkable promptness and unanimity, these agencies addressed themselves to the important problems of increasing and conserving the food supply and cordially furthered the department's efforts in this direction. Fortunately, as the result of the investigations and experiments of the department and of the state experiment stations, extending over many years, there was already available a large accumulation of scientific information ready to be put into practical use.

To supplement the work of the county agents, special pains were taken further to enlist the services of the specialists of the department and of the land-grant colleges. They serve as the connecting link between the research workers and the Extension Divisions of the several states. The efforts of each specialist were directed immediately toward methods of food production and conservation. For example, the crop specialist centered his efforts on questions of soil improvement and profitable rotations for food and feed production, the horticultural specialist sought especially to increase the planting and yield of vegetables, and the animal-husbandry specialist assisted in the formation of pig clubs, baby-beef clubs, and poultry clubs, and in disseminating information concerning egg and poultry production.

#### *Extension Work Expanded*

An appropriation of \$4,348,400 was made by the Food Production Act for the further development of the Extension Service. By the end of October more than 1,600 emergency demonstration agents, men and women, had been appointed, making a total of approximately 5,000 co-operative extension workers, including the specialists performing extension work, employed through both state and federal regular and emergency funds. This number will be further increased as soon as men and women with the requisite training and experience can be secured. Nearly 750 additional counties are co-operating with the department under the Food Production Act in employing county agents. The total number of men in the service now acting as county agents is about 2,000, and many district agents have been designated to supervise their activities. About 1,300 state, district, county and urban women home-demonstration agents are now at work. Of the 600 women now employed as emergency agents under the Food Production Act, 500 are working in counties, principally among farm women, and 100 have been assigned exclusively to urban communities. Over 100 additional assistants in boys' and girls' club work have been placed in the field.

When the plans are fully developed there will be at least one demonstration agent—possibly two, a man and a woman—in nearly every agricultural county in the nation, and a woman in each of the large cities of the country to give advice regarding the production, conservation and utilization of food products. These agents not only are performing the normal

and emergency demonstration and educational work, but they are also assisting other branches of the government in special directions, such as the Treasury Department in its Liberty-Loan campaigns and the Food Administration in its food-conservation activities.

### *Local Organizations Developed*

Conditions growing out of the war gave added impetus to the already well-established policy of extending and promoting local organizations to support, aid and extend the influence of the county-agent work. The number of such organizations was rapidly increased throughout the country. In the fifteen southern states the number of community organizations of farmers formed to aid the county agents increased from 1,654, with a membership of 44,548, to 2,508, with a membership of 78,660. As in the South, so in the North and West, impetus was given to the organization movement already under way, and there has been an emphatic demonstration of the increased usefulness of the county agent when backed by a supporting local organization. In the thirty-three northern and western states the number of farm bureaus and similar local organizations was increased to 374, with a membership of 98,654.

Many thousands of farmers throughout the country were shown how to increase their producing power and place their farms on a business basis, with the result that their farm practice has been better balanced, soil fertility has been maintained, and production has been increased.

There was a notable development of the work among women along the line of productive activities, such as poultry raising, home butter making, gardening and canning, and of household convenience, comfort, economy and efficiency. The number of community clubs organized among rural women in the South increased from 250 to 1,042, and 1,635,000 women and girls actually participated in some form of emergency work.

The enrolment in the regular boys' clubs in the South was largely increased, and the total membership is now approximately 100,000. In addition, 20,000 boys were enrolled to assist in war emergency activities. These clubs have been a very important factor in the campaigns for improved farming and increased food production. The boys' and girls' clubs in the northern and western states, through their regular membership of 400,000 and an additional emergency enrolment of 400,000, drawn largely from cities and towns, have been an active and efficient agency in the campaigns for promoting food production and conservation, not only through such regular work as canning, drying, pickling, preserving and the like, but also through various emergency projects, such as gardening, poultry raising, bread making and other activities.

### *Home Gardening Stimulated*

Special attention was directed to the importance of home gardens in all parts of the nation. A series of twenty-seven brief popular articles con-

taining instructions for the preparation of soil, for garden planting, and for the care of vegetables was prepared and distributed. A special Farmers' Bulletin, *The Small Vegetable Garden*, was quickly printed, and more than a million copies were promptly distributed. Throughout the growing season the department continued to supply the press regularly with practical timely information designed to encourage a second and even a third crop of vegetables. This campaign, supported by the efforts of county agents, other field workers of the department, the staffs of the agricultural colleges, and private workers, stimulated, it is estimated, the planting of from two hundred to three hundred per cent more gardens than had ever before produced food in the United States in one season. This was particularly true in the South, where the work was a logical development of the "Safe Farming" program which has been advocated for several years.

#### *Saving Farm Products and Foods*

The home-demonstration activities were immediately intensified. Early in the summer all home-economics extension workers turned aside from their regular activities and aided in special campaigns for food conservation. Canning, drying, salting and storing were emphasized in every state, and special stress was laid upon the importance of using perishable products in such a way that the home might support itself and make as little demand as possible on the transportation facilities for supplies from other sections of the country. Many demonstrations were given on methods of conserving wheat, sugar, fats and the like. Excessive use of butter, meats and sugars was discouraged, and the use of substitutes was taught. Definite conservation campaigns were undertaken through the daily and weekly papers; many women's clubs were organized for the sole purpose of promoting home-economics extension work; community kitchens and community drying plants were increased in number and efficiency; many educational exhibits were made; and short and intensive training courses were held in ten agricultural colleges for the preparation of emergency food agents and local volunteer workers.

The department gave particular attention to problems of selecting and combining foods in such manner that the diet would be satisfactory and adequate and at the same time the consumption of commodities in which there was a shortage would be reduced. Data derived from experimental work on the rational and economical use of foods were promptly made available. A simple method for applying the results of the food investigations in a practical way was worked out and published.

To enlist the women of the nation in a food-saving campaign, attention was called on March 3 to the fact that at least \$700,000,000 worth of food was being wasted annually in the United States. Subsequently, six separate appeals to the people to feed themselves, to watch kitchen waste, to prevent spoilage, and to conserve meat, milk, butter and bread

were issued through the press. These were followed by more than sixty-five simple circulars dealing with the effective use of foods and with economical and nourishing diets. Special efforts were made through press items to familiarize the nation with the use of such foods as corn, rice, soy beans, rye, various legumes, cottage cheese, and skimmed milk. Many of the articles thus prepared were published as Food Thrift Series nos. 1 to 5 and reached a direct circulation of more than a million and a quarter.

The services of an expert in home economics were placed at the disposal of the Woman's Committee of the Council of National Defense, and the department has co-operated with the committee in many directions. Jointly with the Food Administration, a series of leaflets on foods designed especially for extension workers in home economics, was prepared. As a part of the general survey of the food resources of the country a dietary survey of selected families in different parts of the United States was undertaken. Dietary studies also were made in selected families of the District of Columbia as a part of the study of living conditions carried on by the Department of Labor.

#### *Conservation of Perishables*

When it became apparent that the truck farms, home gardens, and orchards of the nation would produce a large surplus, the department, supplementing the activities of the extension forces and aided by a large number of emergency agents, conducted an intensive publicity campaign, under the immediate direction of a special assistant, to promote the canning, preserving, pickling and drying of surplus perishables, and to stimulate the consumption of fresh fruits and vegetables. Mr. A. D. Lasker, of Chicago, and Mr. John Callan O'Laughlin, of Washington, D. C., volunteered to organize and supervise the work for the department. Practically every newspaper in the twenty-eight states which reported a heavy surplus agreed to devote space to the campaign. Within two weeks one hundred and ten articles teaching in a brief, simple way the household methods of conserving fruits and vegetables were supplied to the newspapers and promptly published by them. Special Farmers' Bulletins dealing with these subjects were quickly prepared and circulated to the number of 3,400,000 copies. The response to this campaign was immediate. Not only were perishables put up for winter use in greatly enlarged quantities, but the increased consumption, stimulated by the campaign, steadied the truck markets and undoubtedly prevented a considerable waste of valuable foodstuffs. In this way also the drain on the staple products was lessened. While there is no way of determining accurately how much food was put up in individual homes for later use, there is every reason to believe that thousands of families canned and preserved perishable products this year for the first time.

Steps had been taken early in the year to make sure that there would be a sufficient supply of containers. The price of tin cans had increased



to such an extent as practically to prohibit their use by the individual canner. At the suggestion of the Departments of Commerce and Agriculture, manufacturers agreed to restrict the canning of non-perishable foods for several months in order to conserve the supply for perishable products. The States Relations Service also, in co-operation with the Bureau of Chemistry, the Council of National Defense, railroads, and manufacturers of tin cans, perfected an arrangement by which more than 10,000,000 cans were shipped in carload lots from certain factories direct to counties in the South and sold at cost, plus freight and handling charges. The net saving through this activity alone is estimated at more than a quarter of a million dollars.

### *Marketing Activities*

The work of the Bureau of Markets was greatly expanded. The market-news service for fruits and vegetables, inaugurated during the fiscal year 1915, as well as that for live stock and meats which was begun in the fiscal year 1917, was developed as rapidly as possible with available funds. Many of the projects of the bureau were redirected in order to deal more effectively with emergency problems. The reports were particularly valuable in connection with the shipment of perishable products, and large numbers took advantage of the timely information furnished by them. During the fiscal year 1917 approximately 3,000,000 bulletins regarding car-lot shipments and jobbing prices of fruits and vegetables were distributed to over 52,000 individuals, including shippers, jobbers, distributors and receivers. Market reporting stations were opened during the year at several important points, and the number of commodities covered was greatly increased. The first quarterly report of the supply of wool was issued on July 30 and represents the most complete inventory ever compiled of the wool supply in the United States. The reporting service for cold-storage holdings was rapidly enlarged and now includes forty-three commodities.

From representatives stationed at important transfer points during harvest periods the Bureau of Markets secured telegraphic information on the car situation. These reports made it possible to place before the Commission on Car Service accurate information regarding the prospective movement of different crops and the need for cars. The bureau also, through all available channels, has endeavored to secure close co-operation between carriers and producers, shippers and distributors in the more efficient utilization of railroad equipment used in transporting food products.

The passage of the Food Production Act made possible a marked expansion of the machinery of the Bureau of Markets. An appropriation of \$2,522,000 was provided for this purpose. The news services for fruits and vegetables and for live stock and meats were still further developed and were extended to include hay, grain and seeds, and dairy and poultry

products. Three general reporting services, one daily and two weekly, are conducted for perishables at twenty-five stations, as well as a local service for truck crops in certain cities.

Branch offices are now maintained at twelve important market centers for the purpose of collecting and distributing current information relative to supplies of live stock and meats, demand, prices, and other market conditions. Two daily and one monthly report for live stock and meats are issued. Data on wholesale meat trade conditions are secured daily from several of the largest eastern meat consuming and distributing centers, and a summary is immediately forwarded to the central live-stock markets in the West. Bulletins also are issued at the various branch offices before the day's trading in live stock begins, and this information is distributed throughout the United States. More than sixty stockyard companies report their current live-stock receipts and shipments, and a summary of the figures is issued after the first of each month.

Bi-weekly reports are made on hay and grain for certain sections. A semi-weekly statement of bean prices, demand and movement is made, and plans have been completed for issuing one each month on farm and garden seeds. Reports of daily car-lot shipments and jobbing prices of fruits and vegetables, as well as weekly summaries of car-lot shipments and a weekly market review, are made. Data on the carload movements of fruits and vegetables and of live stock, embracing returns from approximately 1,000 officials, are telegraphed daily by more than 400 different railroads.

A co-operative experimental reporting service was begun early in the year in the large wholesale farmers' market at Providence, Rhode Island, on fruits and vegetables grown in the neighborhood. This service is conducted in co-operation with local truck-gardeners' associations and the city authorities. It has demonstrated its usefulness in stabilizing local prices, and has been extended, under the Food Production Act, to the markets at Boston and Springfield, Massachusetts; Albany, New York; Cleveland, Ohio; Grand Rapids, Michigan; St. Paul, Minnesota; and Denver, Colorado.

The Food Production Act authorizes the secretary of agriculture to investigate and certify to shippers the condition as to soundness of fruits and vegetables and other food products when received at important central markets. Rules and regulations for carrying out this provision of the act were published on October 31, and the inspection service was inaugurated promptly in twenty-four of the large markets. This impartial and disinterested inspection service should lessen the uncertainty surrounding the marketing of perishables and stimulate economical production.

#### *Emergency Food and Fertilizer Surveys*

The most difficult undertakings of the Bureau of Markets under the Food Production Act are the war emergency food surveys. A preliminary

survey, as of August 31, 1917, was planned and set in operation. This will be followed by one in more detail after the crops are gathered. The information sought covers eighteen of the more important farm products and foods, in some instances groups of products, and falls into four heads, based on location and ownership, as follows: (1) Quantities of raw food products on the farms; (2) stocks of food products nearer the consumption stage in manufacturing, storing, jobbing, wholesale, large retail, and other commercial establishments; (3) stocks in retail houses, particularly in the small establishments; and (4) supplies of food in the household and current family consumption. The later survey will embrace many more items.

A determination of the quantity of food products on farms, particularly of cereals, live stock, and poultry, has been made by the Bureau of Crop Estimates. The holdings of manufacturing, storing, jobbing, wholesale, and other commercial establishments, including large retail houses, have been ascertained by the Bureau of Markets directly from each concern. Owing to the impossibility of covering all the smaller retail concerns, the survey, so far as these were concerned, was limited to the establishments in a number of representative cities and rural districts and was conducted by personal canvass instead of by mail. From the data secured the aggregate for the entire country will be estimated. Similarly, the supplies of food actually in the households will be determined by ascertaining the stocks in a large number of homes, and the returns will be checked by a careful record of the quantities of food purchased and consumed in them during the period of one week.

The Food Production Act provides also for the investigation of basic facts relating to fertilizers. An effort is being made to secure accurate information regarding the supply of fertilizer materials on hand, the probable production and consumption, and other pertinent facts. A special inquiry has been made through the Extension Service to ascertain the immediate requirements of farmers for nitrate of soda.

#### *Control of Plant Diseases and Insects*

Immediately after the outbreak of the war, the Bureaus of Plant Industry and Entomology directed their attention to plant diseases and insect pests and rendered very effective assistance with the resources at their command. With the additional funds made available by the Food Production Act, specialists of the Bureau of Plant Industry, familiar with the possibilities of seed treatment for the prevention of smuts of wheat, barley, oats and rye, which alone cause losses of fifty to sixty million dollars a year, were placed in Oregon, Ohio, New York, Tennessee, Indiana, Illinois, Oklahoma, Texas, Washington and California. These specialists conducted an active campaign to reduce these losses. Through co-operation with the county agents, farmers, farmers' organizations, and county and township schools, detailed suggestions for the protection of the wheat

crop were given and were put into effect by many farmers. Similar work also has been undertaken in the Gulf and South Atlantic States.

Early in the spring the Bureau of Entomology made arrangements to secure systematic reports from various sections of the country regarding the prevalence of insects attacking food crops. It was essential to have readily available full and accurate knowledge of the exact conditions with reference to injurious insects, especially those threatening the staple crops. The reports received were promptly digested and transmitted to all state and station entomologists and others who were in a position to assist in reducing losses from insect attacks. In this way the field workers of the bureau, in co-operation with the state authorities, were able to deal more effectively with insect problems in many sections of the country. Under the provisions of the Food Production Act the bureau has instituted an extensive campaign to disseminate information concerning means of preventing insect ravages and to demonstrate proper methods of control. It is planned to place forty additional expert entomologists in the field to co-operate with the extension forces. Nineteen already have been appointed. They are dealing with the Hessian fly in the wheat areas, insects affecting truck crops—especially sweet potatoes—in the Gulf States, and those damaging deciduous fruits in the Appalachian region and citrus fruits in the South and in California. In the Northwest they propose to inaugurate an educational campaign directed against insects affecting cereal and forage crops. Six specialists in addition to the regular force have been assigned to the task of stimulating the production of honey.

#### *Conserving Potatoes*

Sweet and Irish potatoes were planted more extensively than ever before. To reduce the losses resulting from improper handling and storage of the former, specialists were placed in the regions of large production, and their work, it is estimated, already has resulted in a saving of \$3,000,000. The methods of storing and handling Irish potatoes are well understood and the commercial practice in this field is fairly satisfactory. There is room, however, for great improvement both in quality and yield. A special survey, therefore, was undertaken to locate desirable fields of potatoes, free from disease and of good quality, which could be utilized for seed stock. Experts are now working on the problem in Maine, Vermont, Massachusetts, New Hampshire, Minnesota, Wisconsin and Colorado.

#### *Purchase of Seed Corn*

To relieve the situation caused by severe drought in certain sections of Texas, and especially to insure a sufficient supply of good seed for the next planting season, steps were promptly taken to purchase a stock of approximately 37,500 bushels of seed corn for sale to farmers for cash at cost, as provided in the Food Production Act. The department also,

with the co-operation of the Food Administration Grain Corporation, undertook to insure an adequate supply of seed wheat for planting this fall and next spring. The Grain Corporation permitted elevators to set aside special storage space and authorized them to charge a slight advance over the established price to cover extra charges. The department located available stocks of seed, inspected them, certified to their soundness, and notified farmers where and on what terms they could secure such seed.

### *The Meat Supply*

The task of increasing the meat supply, necessarily a slow one in its production phase, is particularly difficult. Hogs and poultry yield the quickest returns, and therefore urgent efforts were made to increase their production. Special campaigns were conducted by the specialists in animal husbandry, and the membership in the boys' and girls' pig and poultry clubs was greatly increased. Press notices designed to promote the raising of poultry were issued and later were incorporated in a special back-yard poultry leaflet, which was widely circulated. At the same time active steps were taken to stimulate the production of beef and dairy cattle, and several specialists in sheep husbandry were assigned to duty in the eastern states to encourage the production of sheep on farms. Funds have been set aside from the appropriation made by the Food Production Act to employ a force of thirty-two additional men to give their entire time to the task of increasing the number of hogs, thirty-nine to encourage poultry raising, and six to assist producers of beef cattle.

The transfer of cattle from regions where there was a shortage of feed to areas where feedstuffs were relatively plentiful has received special consideration. This work was begun late in June and is still under way. Field agents were assigned to Texas and Montana to locate cattle likely to be unwisely disposed of, and at the same time men were stationed in regions where there was an abundance of feedstuffs to locate prospective buyers. It is estimated that by the end of October this work had resulted in the transfer and saving to the nation of more than 100,000 cattle.

On account of the severe winter and late spring in the West, the livestock losses were very severe in every range state. It was urgent that the national forest ranges be opened at the earliest possible date in order to prevent further losses, especially of lambs and calves. To meet this situation animals were admitted to the ranges earlier than usual and the number grazed was increased by approximately 350,000 over any previous year. Notwithstanding this action, the demand for grazing privileges could not fully be met. Obviously, the next important thing to be done was to provide for further utilization of the range in 1918. To study the effects of the increased use of the ranges this year, to discover in what particulars the present method of handling the stock and allotting the range might advantageously be modified as an emergency measure, and to secure the best available knowledge regarding the number of stock which

the ranges can be made to carry with safety next year, a special inspection force has been organized. As a result of this study of the problem it will be possible to bring about a still further emergency use of the national forest ranges for live-stock production in 1918.

The work connected with the suppression of animal diseases has been vigorously pressed. Special attention has been directed to the control of hog cholera and cattle ticks. Estimates show that the losses from hog cholera during the past fiscal year decreased by approximately thirty per cent and reached the lowest average per thousand head since 1894. More than 40,000 square miles were released from quarantine on account of the cattle tick during the past fiscal year and 1,788 on September 1, 1917. Sixty-five thousand five hundred and twenty square miles will be placed in the tick-free area on December 1. More than fifty-one per cent of the original infested territory has now been cleared of the tick. The work was greatly enlarged during the past summer, and many additional employees were assigned to it. The suppression of the tick makes possible the introduction of more and better beef and dairy cattle, and already thousands of fine breeding cattle have been procured by southern farmers. Satisfactory progress has been made in the prevention or control of other destructive animal diseases.

Under the Food Production Act the facilities of the Bureau of Animal Industry for dealing with live-stock diseases have been further extended. Forty-six employees have been added to the tick-eradication forces in order that the work may be prosecuted more vigorously and additional areas be prepared for systematic effort next year. They have been assigned to duty in seven states. This force will be increased by ten in the near future. In twelve states an inspector has been detailed to assist in combating tuberculosis of cattle and swine and abortion of cattle, and it is proposed to increase the number to nineteen. In the control of blackleg of cattle and anthrax of domestic animals, five men are regularly employed. From time to time, however, as occasion arises, employees regularly assigned to other duties are detailed to the work of fighting these diseases. These activities of the department now cover fifteen states and will be extended to ten more as promptly as possible. Sixty-five additional veterinarians have been assigned to the hog-cholera work. Fifteen more will be appointed as soon as competent men can be obtained. The fight against the disease has been under way for some time in twenty-eight states, and as soon as the necessary arrangements can be made with the state authorities it will be carried into the remaining twenty commonwealths.

In the effort to increase the meat supply, it seemed of the highest importance that the co-operation of the live-stock men of the nation should be secured. Having this in view, in August I decided to ask representatives of the various live-stock interests to attend a conference in Washington on September 5 and 6, 1917. Shortly after the call for the conference was

issued, in view of the interest of the Food Administration in many phases of the same matter, it was determined to have a joint conference and to create a national live-stock industry committee. People representing not only the producers of the various kinds of live stock but also the farm journals were invited to become members of the committee and to attend the conference. It was pointed out that there had been a tremendous slaughter of animals abroad, and that the destruction would continue at an accelerated rate. The duty of this nation to supply food for its own citizens and soldiers and also to help feed the civilian population and soldiers of the Allies was emphasized. It was especially suggested that attention should be given to the problem of redistributing cattle, sheep and hogs from areas where feed supplies were short to those where they existed in greater abundance. One hundred and eighty-five men, including representatives of the Department of Agriculture and the Food Administration, attended the conference, which lasted for two days. Certain recommendations, with many of which the department is in thorough accord, were made by the conference. Some of them had reference to undertakings which the department and other agencies have had under way for some time and which have been enlarged in recent months. Among these are the following:

The extension of the live-stock reporting service of the Bureau of Markets; the vigorous prosecution of the work of eradicating the cattle tick; the encouragement of the boys' baby-beef clubs and pig clubs and the cow-testing associations; protective action against the stray dog, the enemy of the sheep; the extension of the work of education with reference to sheep raising and wool growing; and the redistribution of animals, to be promoted mainly through the county agents. Certain legislation was suggested, including, particularly, regulated grazing on the public domain, which this department has earnestly favored for a number of years. It was urged also that steps be taken to control uneconomic speculation. It was understood that the United States Live Stock Industry Committee should continue in existence and co-operate with the department and the Food Administration in bringing about the increased production, conservation, and orderly marketing of live stock.

#### *Production and Conservation of Dairy Products*

Because of the large place that dairy products hold in food economics efforts were made to conserve the supply by the elimination of waste and the more complete utilization of by-products. In many sections in the southern and western states the number of creameries and cheese factories was increased, resulting in large additions to the food supply and contributing to the welfare of the farming communities. In the settled sections of the eastern and middle western states efforts were made to increase the efficiency of the operations on the farm and in the factory. The milk supply of many cities was improved and increased through the application

of a few simple and efficient methods. In the South an active campaign for the greater production of feedstuffs, a necessary feature of dairy development, was conducted in co-operation with the extension authorities.

Every effort has been made to encourage the use of cottage cheese as a substitute for meat. A number of circulars and press notices explaining its food value and the ways in which it can be made in the home and in the factory were issued. Personal instruction also was given to creamery operators, home-economics workers, and farm women. Six experts have devoted their entire time to encouraging the production of cottage cheese on the farm and this number will be increased. In the mountainous sections of the South special efforts have been made to increase cheese production. The establishment of cheese factories was encouraged in localities where climatic and other conditions render their operation feasible. Work was begun in these regions in September 1914, when the first cheese factory was established in North Carolina. Since that time the number of factories has increased rapidly until at present there are thirty-four, of which twenty-six were established during the last fiscal year. All have been successful. They furnish outlets for milk in localities far distant from railroads and centers of population, and in this way are of great benefit to isolated regions. While the work in this field is relatively new in the West, the results have been no less striking. Nine men were employed during the summer to promote the utilization of by-products of creameries and milk plants. The work was conducted in eight states, and plans are under way for its further development.

#### *Wheat and Other Cereals*

When a state of war was declared it was clear that spring wheat offered the only opportunity to make good in part, at least, the prospective shortage of winter wheat indicated by heavy winter-killing. County-agent leaders, therefore, in co-operation with the department, immediately put into effect plans for increasing the production of spring wheat, as well as of oats, barley, corn, potatoes, buckwheat, soy beans, grain sorghums, and other food crops, with the result that the total acreages planted were much larger than they would otherwise have been. For example, the seeding of spring wheat, which promised to be only one-half to two-thirds the normal, was increased to normal; seed corn was more carefully selected and tested; and oats were more extensively treated for smut with a consequent increase in yields. Many farmers who previously had not grown potatoes at all planted sufficient for their own use, and many who had never grown potatoes as a market crop planted a large acreage.

The special campaigns in the South for the increased production of foodstuffs through the extension forces were very successful and gave a remarkable demonstration of the value of such educational work, especially in an emergency like this. The net result was a marked increase in the planting of corn, soy beans, velvet beans, cowpeas, peanuts, sweet



potatoes, Irish potatoes, and other food crops. The corn crop in the fifteen southern states was 964,504,000 bushels, or more than a fourth of the whole crop of the United States.

Realizing the importance of continued efforts to promote the production of staple commodities and of making plans promptly for the immediate future, in June I appointed a committee of experts of the department to make suggestions for future action, especially with reference to winter-wheat planting. The committee considered the problem from every angle and reached the conclusion that a strenuous effort should be made to secure the planting of an area that would, under favorable conditions, produce a billion bushels of wheat in 1918—880,000,000 bushels through the winter crop and the remainder through increased spring planting. The committee also recommended that steps be taken to encourage the production of over 83,000,000 bushels of rye and that the production of winter oats in the South should be increased to the extent that seed was available. This program called for the planting of 44,634,000 acres of winter wheat and 5,522,000 acres of rye, and was submitted by telegraph to the leading agricultural authorities of various states concerned. As a result of their suggestions it was finally determined to propose the planting of 47,337,000 acres of winter wheat and 5,131,000 acres of rye.

In announcing the program it seemed desirable to place particular emphasis on the crops seeded in the fall and to make no specific suggestion as to the spring crops, such as corn, spring oats, rice, the grain sorghums, and buckwheat until the acreages successfully sown to winter cereals could be determined. Similarly, action with regard to beans, soy beans, cowpeas, peanuts, and various other legumes, and the spring-planted forage crops, was left for final consideration until more complete data as to the 1917 harvest are available. It was suggested, however, that the acreages of fall-seeded hay crops should at least equal those of the present season. The need of husbanding seed supplies was pointed out, and the machinery of the department's committee on seed stocks was set in motion to bring about an effective interchange of seeds from well-supplied regions to those reporting shortages.

Through a number of channels the department proceeded to bring the program to the attention of the grain farmers of the country and to seek their co-operation in making the recommendations effective. It was published as a circular and also was given wide distribution through the press and the *Weekly News Letter*. A series of conferences immediately was held by representatives of the department in several of the grain-growing sections of the country. They were held in Washington for the eastern and northeastern states; in Atlanta for the southeastern states; in Indianapolis for Indiana, Ohio, Michigan, Wisconsin, Illinois and Kentucky; in Kansas City for Missouri, Iowa, Minnesota, South Dakota, Wyoming, Colorado, Nebraska, Kansas, Oklahoma, New Mexico, Arizona, Texas and Arkansas; and in Spokane, Washington, for the remaining states.

The local problems likely to be encountered in increasing the grain acreage were discussed with farmers, agricultural leaders, bankers, financing agricultural enterprises, and editors of agricultural journals.

Following the publication of the program and the holding of the conferences, the department carried on an intensive campaign to emphasize the need for an increased production of grain and the best methods to be employed in obtaining the increases suggested. Several special bulletins were prepared and distributed, and articles discussing various phases of grain production and handling were issued through the general press, agricultural press, and the publications of the department. The extension workers throughout the grain-growing regions concentrated their attention upon the problem and urged farmers to co-operate with the department.

### *The Response of the Farmers*

Imbued with patriotic motives, influenced by favorable market prices, and falling in with the suggestions of the Department of Agriculture and of state agricultural agencies, the farmers of the nation manifested much interest in the campaign for increased production and displayed efficient activity in reference to both plant and animal foodstuffs and feedstuffs. The weather conditions during the spring were generally favorable and, according to the unrevised estimates, the nation will have, as the result of the work of the farmers and of all the agricultural agencies, approximately 3,191,000,000 bushels of corn, 659,797,000 of wheat, 1,580,000,000 of oats, 201,659,000 of barley, 56,000,000 of rye, 16,813,000 of buckwheat, 33,256,000 of rice, 73,380,000 of kafir, 439,686,000 of Irish potatoes, 84,727,000 of sweet potatoes, 15,957,000 of commercial beans, 42,606,000 of peaches, 11,419,000 of pears, 177,733,000 of apples, and 7,621,000 tons of sugar beets. These figures represent increases of cereals in the aggregate over 1916 of 1,006,000,000 bushels, and over the average for 1910-1914 of approximately 1,000,000,000 bushels, but a decrease of production in comparison with 1915 of about 199,000,000 bushels. It should be borne in mind, however, that the carry-over of cereals from last year was much below the normal and that the percentage of soft corn of the 1917 crop was unusually high. The figures also reveal the record crop of Irish potatoes of 439,000,000 bushels, 154,000,000 more than in 1916, and 79,000,000 more than the average for 1910-1914; an increased production of sweet potatoes over 1916 of 14,000,000, and of 24,000,000 over the five-year average; and of sugar beets of 950,000 tons over 1916, and of 2,230,000 over the five-year average. There was also the largest production of perishables on record. While authentic figures for meat, poultry, dairy products, and vegetable oils are not available for 1917, it appears, from rough estimates, that the quantity of these commodities for this year is slightly greater than for either 1916 or 1915, and exceeds the five-year average by two or three billion pounds.

The number of milch cows and other cattle has shown an increase during the last four or five years, the estimate for the former for the present year being 23,906,000 as against 22,768,000 a year ago and 20,497,000 in 1913, before the European war began, while that for the cattle is 43,291,000 as against 40,849,000 a year ago and 36,030,000 in 1913. Unfortunately, the number of sheep continues to decline; the estimate for 1917 is only 46,059,000 as against 48,483,000 a year ago and 51,482,000 in 1913. It is estimated that the number of hogs, which during recent years has shown an upward tendency, decreased over 4,000,000, or from 67,543,000 to 62,747,000. However, it is greater than it was at the beginning of the European war. The number of hogs varies from year to year more widely than that of the larger meat animals.

In considering the whole meat situation it should be kept in mind that there is a close relationship between the production of live stock and the supply of feedstuffs and that for more than a year past there has been a relative shortage of grains and of forage. The large production of these necessities during the present crop season should conduce to more satisfactory conditions for the producers of live stock and should, other things being equal, tend to bring about an increase. But with the destruction of live stock in Europe and the great demands from there for meat and fats, with consequent greatly increased exports from this country, it is clear that the supply will not be adequate for the domestic needs and for those of the nations with which we are associated in the war. The mere statement that the population has steadily increased in this country—the gain in the ten years from 1908 to 1917 being 13,000,000—with an absolute decrease in the live stock for the same period, would sufficiently emphasize the seriousness of the situation if conditions were normal and the demand for meats and fats were not so urgent. The great importance of doing everything possible economically to increase the meat supply of the nation I have strongly emphasized in each previous annual report and in many addresses. This is one of the great problems to which the department persistently has given earnest and vigorous attention.

The actual increase in the acreage of fall-sown crops can not be accurately determined at this time. There is every indication, however, that the farmers in the sections where fall grains can be profitably raised have patriotically responded to the nation's call for more breadstuffs. Reports made to the Bureau of Crop Estimates in August, before the campaign for increased acreages was well under way, indicated an intention on the part of farmers to increase their sowing of winter wheat by about ten per cent and of rye by about three per cent. If these intentions are realized, it will result in planting of 44,100,000 acres of wheat and about 4,340,000 acres of rye. Reports received since August are to the effect that the fall-sown acreage of these two crops has been increased in nearly every state, although the drought in the southwestern states and in portions of Washington has made it impracticable fully to carry out the planting program.

The official estimate of the acreage of winter wheat and rye will be issued on December 19 after the planting of winter grains is completed in the South. Similarly, it is too early to determine the percentage of germination of seed actually sown, and therefore any prophecy at this time as to the actual harvest of winter wheat to be expected in 1918 would be merely a guess.

That the farmers of the nation have generously responded to the appeals for increased production, and that much has already been done to insure a large supply of foods and feedstuffs, justifies no let-down in their activities or in those of all agricultural agencies. On the contrary, even greater efforts must be put forth in the coming months if we are to meet satisfactorily the domestic demands and the needs of the nations with which we are associated in this struggle. There must be no breakdown on the farms, no failure of foods, feedstuffs, or clothing. I can not emphasize too strongly the urgent necessity of doing everything possible to bring about a still further increase in the production of all essential commodities, particularly of the staple crops and live stock.

#### *Summary*

The spirit revealed by the farmers and the results of their efforts during the present year indicate that they recognize the responsibility resting upon them in this emergency. I am confident that they will patriotically continue to assume and to bear their full share of the country's burden. The farmers of the nation have always shown their devotion to the cause of freedom and have not been slow to respond to their country's call for men and means to defend its rights. They will not submit to Germany's dictation. They will not permit her to impose illegal restrictions on their privilege of going freely to any part of the world where they have a legal right to go or of sending their products into the open markets of the world. They will realize that the dictum of Germany that this country should not send its ships at will to the ports of great nations of Europe was not only unwarranted and impertinent, but also that, if it had been acquiesced in, it would have involved them very particularly in great direct financial loss and suffering. As the meaning of this struggle is more fully revealed, as it becomes increasingly clear that a contest is again being waged to determine whether the world shall be dominated by the will and policies of medieval despotisms or by those of free and enlightened modern states, and whether the mere right of might or the rule of law shall prevail in the world, and as it becomes more obvious that the surest way to force a righteous peace is to employ effectively all the resources of the nation, the farmers will increasingly put forth their strength, send their sons to fight at the front, and see to it that neither this nation nor those with which we are associated lack anything in the way of materials for food and clothing. It is incumbent upon them, as it is upon all other civilians, to work and to save, to seek no mere selfish advantage, and

to reveal the same spirit of devotion and willingness to make sacrifices and to give all they are and have which animate the soldier in the trenches, if this struggle is to be brought to a satisfactory conclusion. Every facility that this department can command to assist them will be freely placed at their service.

## APPENDIX II

### STATEMENT BY THE SECRETARY OF AGRICULTURE CONCERNING THE FARM LABOR PROBLEM

The farm labor problem has presented and continues to present many difficulties. It is sufficiently difficult without the added complications which arise from the unrest and apprehension created by the utterances and writings of misinformed and, in some instances, of mischievous persons. Not a few statements are being made which not only are not conducive to a satisfactory solution but which, on the contrary, are responsible for additional unrest and misdirection of effort.

This is one of two or three subjects to which the department has given more thought than to any others, not only since this country entered the war but for many months prior to that time. There has been before the farmers the question of retaining a sufficient number of year-round skilled laborers and also of meeting the urgent needs at the planting and harvesting periods. In very many sections of the Union difficulties in both directions have been experienced. This has been particularly true of communities where there has been great industrial activity incident to preparations for the army and navy. Farmers in the neighborhood of cities where there has been great re-direction of labor and capital, and also where the cantonments and other special enterprises have been under way, have been greatly embarrassed. Obviously, a nation cannot engage in a struggle such as the one which this country is making in defense of its rights and for freedom in the world without disturbances of many kinds, especially of labor, without inconvenience, and without calling for sacrifices from every class of society. Mere complaint will serve no useful purpose. Constructive thought and action alone will help.

In some respects, the situation may not be quite so acute another year. Naturally, the disturbances are much more violent immediately after a great shock has been given the industrial system. This nation had been organized on a peace basis. When it entered the war, it was necessary not only to create vast additional facilities and machinery, but also to provide on an enormous scale for the operation of the new establishments and of those previously existing. Many shipyards had to be expanded and others had to be created. Large cantonments had to be built, and built quickly. In every direction there were urgent demands for great

expansions. Furthermore, it was necessary to have an army, and this necessarily caused additional labor drains and dislocations. In the haste of the first draft, it was impossible to work out a satisfactory classification of labor with reference to the national needs.

However, it is well to recognize that the situation will continue to be difficult and that a satisfactory solution will require the best thought of the nation and the fullest and most complete co-operation of all agencies. To this end, all plans which give any promise of real results must be carefully examined and put into effect so far as they are feasible.

That the department and other agencies of the government fully appreciate the seriousness of the situation is indicated by the action taken to attempt to furnish relief. Even under the pressure of the first draft, the War Department held definitely in mind the thought of lightening the burden so far as possible by not calling to the colors those essential for leadership and direction. With the fuller time at its disposal, that department, which has recognized from the beginning the necessity of not unduly disturbing any essential industry, has worked out a system of classification of the men subject to the draft which contemplates the placing of skilled farm labor engaged in necessary agricultural enterprises in class 2, assistant or associate managers of necessary agricultural enterprises in class 3, and heads of necessary agricultural enterprises in class 4. The operation of this new arrangement should remove many of the difficulties previously encountered and, in reasonable measure, meet the demands of the situation.

Several months before we entered the war, the government was giving the farm labor situation definite attention. In former years, the Department of Agriculture, in co-operation with the Department of Labor, sought to render, and did render, assistance to farmers in a number of states in securing seasonal labor. In conjunction with state agencies these departments have effected the transfer of considerable numbers of laborers from communities where the load had passed, to others where the need was urgent. This was done especially in the years of large production and, in some cases, from 20,000 to 40,000 laborers were transferred to particular states.

After the entry of the United States into the war, the thought of the Department of Agriculture, in connection with the Department of Labor, was very definitely directed to the problem of farm labor. The matter was thoroughly discussed at the conference held in St. Louis on April 9 and 10 with the agricultural representatives of the various states. It was also referred to in my letter to the Senate of April 18, 1917.

One of the first steps taken by the Department of Agriculture was to select and station in each state, in touch with the state agencies, the best available man the department could secure (1) to make surveys of farm labor conditions; (2) to bring about fuller co-operation in the utilization of labor among farmers in the same community; (3) to assist in shifting

labor from one community or one state to another; and (4) to bring into service kinds of labor not heretofore fully or regularly employed in farming operations, such as boys of high school age who knew something about farming, and to do many other things. After the Food Production Bill was passed on August 10, an allotment of nearly \$100,000 was made to extend and develop the work of the department in this direction. Only recently the department held a conference in St. Louis of its farm labor representatives and of state agencies co-operating with them to consider the work which had been done up to that time and to formulate more efficient plans for the future. Some hint of the activities of the department along this line is given in my annual report for 1917.

Some persons seem to be promoting the suggestion that farmers as a class should be exempted from military service and that no person from this class should be permitted to serve in the army, and criticism has resulted because it has not been acted upon. It would be unfair to the farmers of the nation even to entertain the thought that they would be willing to have the rest of the population do all the fighting in this struggle in the defense of our rights and for world freedom. The farmers themselves as a whole would resent the intimation. If farmers were exempted as a class, obviously others would feel the injustice of such action. It is unlikely that any responsible body of opinion would sanction the proposal.

If we put our minds to the task and attempt to deal with it in a constructive way, there are many things which can be done to furnish relief. The Department of Agriculture, of course, will continue to do everything in its power to aid in the solution of the difficult problem. The most promising lines of effort seem to me to embrace the following:

First. A systematic survey of the farm labor situation in order to ascertain the possible needs of farmers and to determine ways of meeting them. The department, before the beginning of the next crop season, through its agents stationed in the various states and in co-operation with the Department of Labor and the state councils of defense, will make such a survey.

Second. The promotion of fuller co-operation in the utilization of labor among farmers in the same community.

Third. The further development of machinery for assisting in the transfer of labor from sections where the seasonal pressure has passed to regions where additional help is urgently needed.

Fourth. Making available labor which heretofore has not been fully or regularly utilized in farming operations, including boys of high school age who have had experience on the farm.

The farm labor representatives of the department will continue to devote all their time and energies to these tasks and they will keep in close touch with appropriate state and other agencies.

Fifth. The releasing of men for agricultural purposes, so far as possible, by replacing them with women and by diverting labor from relatively

nonessential enterprises are matters which demand serious consideration. Conscription of labor for industrial purposes, of course, necessarily would present many difficulties. Powerful influences are operating, however, to bring about the release of labor and capital from less essential enterprises and their diversion into more urgent undertakings. These will become increasingly compelling as the situation develops. They will be aided by the growing realization on the part of the people generally of the need of curtailing expenditures on nonessentials and of re-directing labor and capital into vital industries.

Sixth. Steps to see that any able-bodied men who are not now doing a full and useful day's work shall be fully and regularly employed. This, of course, is a matter primarily for consideration by state and municipal authorities.

Seventh. The largest possible production and fullest use of farm labor-saving machinery. The department has actively interested itself in securing priority for raw materials used in the manufacture of farm implements, and also in securing favorable consideration at the hands of transportation committees to provide facilities for moving the materials to the manufacturers and the completed products from the manufacturers to the distributors and also to the farmers. Both those dealing with priorities of materials and those dealing with priorities of transportation have evinced a complete willingness to assist. This is indicated by the fact that the priorities committee of the War Industries Board gave raw materials needed for farm implements a position of preference over all articles except those urgently required for military and naval purposes, and that the transportation committee took steps to secure the prompt movement of the raw materials and of the manufactured articles. This matter is still receiving the earnest attention of the department with a view to see what further action can be taken to make certain that an adequate supply will be available at reasonable prices.

If there are any other fruitful and practicable lines of effort which will aid in the solution of the problem, they should, of course, be followed. The department has been in constant touch not only with representative farmers and farmers' organizations but also has had frequent contact with the state commissioners of agriculture and the experts of the land-grant colleges. It receives many hundreds of letters daily containing all sorts of suggestions from many parts of the country. As has been indicated, it has special machinery throughout the Union for the purpose of receiving suggestions and furnishing assistance.

Many plans are proposed which are utterly impracticable, but any constructive suggestion always has received and will continue to receive the most careful consideration. The whole subject, involving industry as well as agriculture, is being given serious attention by the Council of National Defense through its various agencies which are actively at work along many lines to formulate constructive plans.



## INDUSTRIAL CO-ORDINATION TO WIN THE WAR<sup>1</sup>

JOSEPH E. DAVIES

Federal Trade Commissioner

**T**HE war is as much an industrial as a military or strategic war, and our success depends upon the stout-heartedness of the nation and upon our intelligence in the co-ordination of our industries to the end that the war shall be won.

We have been engaged in the grim business of war for nine months. In perspective a review of the accomplishments discloses that remarkable progress has been made in the co-ordination of the nation's strength. An army of millions of men has been projected; machinery for the raising of billions of dollars has been successfully tested; industry and labor have been patriotically marshaled to the nation's needs.

Time, raw materials and labor are the base of production. Control over raw materials, food and coal has been conferred upon federal authority by the express legislative creation of a food and fuel administration. Control over other basic raw materials has been projected by the president by virtue of the National Defense Act, through the War Industries Board, and prices have been fixed on steel, copper, zinc and other basic commodities by agreement with these industries.

The record of this war is a splendid one so far as the patriotism of labor is concerned. In the anthracite coal fields the workers have been reduced from 175,000 to 150,000, and yet the production in that field increased twenty-three per cent over last year. Labor is doing its patriotic share; and when you consider that in a period of rising prices, it is an economic fact that one of the last commodities to feel the rise in price is labor; and when you consider that we have been having the most remarkable era of rapid increase in prices that the world has seen for some time, the patriotism of labor is a splendid commentary upon its character. Labor, after all, is at the base of production.

Control over prices without control over distribution is abortive in an effort to relieve the public. Priority and price fixing must go hand in hand.

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.

What the future will require in industrial reorganization to meet these unprecedented conditions, the experience of other nations, which have gone through these phases, and our own experiences, will indicate. The warring nations of Europe have extended government control over industry and labor to an extent not realized in this country. Profits on basic materials have been reduced to a minimum. Government building and operation of plants has been projected to an unusual degree. The industry of these nations is converted to one end only, to wit, that of winning the war. Germany has extended the pre-war syndication or cartellization of industry to a stage of compulsory action in practically all lines of industry. Bootmaking, tanning, the soap industry, have all been organized under the cartel form with compulsory governmental control over production, price and distribution. A glance at the weekly *Board of Trade Journal* of England discloses that several pages each week are devoted to "Government Notices Affecting Trade," and characteristic headings of these government orders indicate the degree of government control over industry. A few typical headings are: "Boards of Control over Woolen and Worsted Industries, Diamonds, Benzol, etc.," "Licenses Required—Chrome Ore, Naphtha, Coal Tar, etc.," "Restrictions of Consumption Orders as to Wool, Yarn, Tobacco, Matches," "Restriction Orders, Machine Tools, Newsprint Paper, on the manufacture of boots, on dealing in calcium carbide," "Requisition Orders, Horse Collars, Ship Timbers and Lumber," "Control Orders, Ham, Lard, Tea, Butter, Flour, Coal, Cotton," and the like. These are but a few that indicate the extraordinary extent to which industry and trade have been subjected to government action. That there are wide differences between these countries and our own country in natural resources and industrial capacity is of course patent. But these items are indicative of the efforts required to co-ordinate national life and strength to the supreme end of winning the war.

Our own experience thus far indicates the future development to which we may look forward in case of a long war. Experience has brought already a tendency in Washington to centralization of authority and control. This is manifest by the reorganization of the National Council of Defense and the creation of the War Industries Board, the appointment of a single food administrator and fuel administrator, with full responsibility and undivided

authority, and by the still more recent developments in the railroad situation. It may be confidently expected that still further centralization of authority will develop. A debating society is not an executive. Responsibility and complete authority induce speed of action, which is a paramount necessity. In government purchases, in priority management, the tendency is to still further centering of responsibility. Not only in purchases but in the fixing of prices it is probable that a greater degree of co-ordination will develop. Prices have been fixed upon coal, coke, steel, meats, and copper. The price of coal, it is alleged, carries a profit much less than the price of coke affords to the manufacturer of coke who uses the coal. The nine per cent limitation of profit on the most efficient meat-packing plants is out of all proportion to the much larger profits made by the relatively similarly efficient steel and copper-producing agencies. Inequities in profits due to price fixing will be adjusted by greater co-ordination in the price-fixing agencies. Two elements are paramount in price fixing—that price be based on cost for the protection of the consumer, and that price be such as to induce maximum production; for production is necessary to win the war. The war will inevitably require in this country, as it has done abroad, a closer reliance upon costs of production in fixing the price.

War purchases for the government have been made in many instances from the most efficient and highly integrated large concerns. Time—speed in delivery—was the essential element in the situation. Extensions of plant require time to build. To absorb already existing but less highly integrated plants has been suggested in order to speed production. Application has been made to suspend the Clayton Act and the Sherman Act to permit this. The financial necessities alleged to have arisen by reason of the necessity of meeting the excess-profits tax have, on the other hand, been urged by smaller concerns as a reason for similar action to enable them to combine with larger units.

War takes the most fit. It has always been so. Industries are now complaining that under the operation of the draft regulations skilled workmen are apt to be taken from their plants. Coal producers complain that the munition factories pay higher wages and are taking their men, with resultant diminishing production. Steel plants are being operated to only seventy per cent of their capacity because of lack of coal and ability to get labor. Piano

factories are being shut down by reason of inability to get steel wire. Sash, door and blind factories have orders only thirty days in advance because building has largely stopped. Both of these, and other lines of industry similarly affected, must be provided for by transition into aircraft production and similar activities. These conditions, as the war progresses, will have to be met and provided against. Lines of industry deemed not necessary to war activities must be utilized. The transition must be made as easily as possible.

Prices have increased by reason of fundamental economic laws, which will still be operating under any system of price control. The purchasing power of money itself is not reached by any system of price fixing. It is an economic fact well recognized that the last commodity to be affected by rising prices is labor. Actual wage, real wage, is measured by purchasing power. A standard of living wage under these conditions must be maintained, with the full appreciation of what it will entail in the reorganization of labor costs in international competition after the war.

The wisdom and clarity of vision of the president of the United States assures that there shall be no division of responsibility and authority to impair national effectiveness.

Industry may then look forward to a still greater degree of centralization of authority in government, an equalization of profits in price fixing, an extension of the exercise of priority, a still greater degree of government participation in industry, the possible extension of government erection of plants for production to be amortized out of profits extended over a long period of years, rather than in high profits during the war, the maintenance of a wage that will afford a high standard of living to the laborer, the transfer of labor from non-essential industries to those more vital in the winning of the war, and a degree of participation in industry by government that has been unknown and unthought of heretofore in this country.

These developments may not be a matter of choice; they may be enterprises upon which we should much prefer not to embark. They may entail grave and serious problems for the future. They may furnish elements in our national life that will challenge our conceptions of democracy and representative government itself. But if to win the war they are necessary to be done, there is no alternative. A peace that contemplates the triumph of the Prussian system of Realpolitik, which would rule the world, or

a stalemate peace that would require this and all other nations to gather themselves together for a still greater struggle in the future, are alike unthinkable. The paramount and only consideration now is to win the war. All other problems must wait. Our vitality, youth and constantly growing intelligence must take care of the future.

It is, I believe, a manifestation of divine Providence that in this critical period when great forces affecting the future of democracy are in the making there should be at the helm of the ship of state a leader who is thinking in terms of preserving individualism in democracy, whose wisdom is based upon those fundamental principles which the economic and political history of the world has established, and who is so directing these great forces that they may be of the highest effectiveness to win the war, and yet that with victorious peace there shall remain to the greatest possible degree such conditions as are compatible with the ideals of democracy, to wit, the greatest possible freedom and well-being of the individual compatible with the social welfare.

## THE TASK OF THE FUEL ADMINISTRATION<sup>1</sup>

HARRY A. GARFIELD

United States Fuel Administrator

SOME of the fundamental facts with which those engaged in the Fuel Administration are called upon to deal are not generally known. If we go back twenty years, that is, until about the time of the Spanish-American War, we find that the total production of coal in the United States, anthracite and bituminous, was a little over two hundred millions of net tons in the year. At the close of this year we shall have produced something like six hundred and thirty millions of tons, anthracite and bituminous. In twenty years we have trebled our coal output. Five years after 1897 we were producing three hundred millions of tons; in another four years we were producing four hundred million tons; in another four years we were producing five hundred million tons; and now, this year, we are considerably exceeding six hundred million tons.

Why then is there any lack, if coal is so abundant, if as would appear from the very statement of the figures, the production of coal has outrun the increase in population? The answer is that the industrial life of the country has required this larger production. The amount exported has not contributed materially to our shortage. We produce from five to eight per cent for export. The percentage varies with the year, but is fairly constant. Coal is one of the commodities that we use at home and do not export to any large extent. The largest amount of coal exported goes to Canada; and yet in this year, when we have sent to Canada more coal than ever before, the amount will be insignificant. Italy is our next largest user, but to Italy we send only three or four million tons. To Cuba we send some, but only a million or two.

Let me give a few additional figures of consumption. The steam coal used by the railroads and the industrial enterprises, great and small, makes up, perhaps, seventy per cent of the total. Twenty-four per cent of our annual production of bituminous coal is used by the railroads, something like sixteen per cent for

<sup>1</sup> Introductory address as presiding officer at the evening meeting of the Academy of Political Science, December 14, 1917.

domestic purposes. Of the anthracite, about seventy-five per cent is used for domestic purposes. The present shortage of coal cannot be explained by consumption for domestic purposes any more than by export, and we thus come back to my original statement; we are short of coal because of the vast expansion of our industrial enterprises, an expansion which, as we all know without resorting to figures, has been vastly increased since the beginning of the war.

But we cannot account for it all in that way. There are other elements which we must have in mind. Large industrial enterprises, exercising proper precaution, early in the year began to accumulate coal. There are huge piles of reserve coal over the country. Photographs have been taken of these piles. We have sought information from the owners as to the amounts contained; and it is not unusual for a great enterprise to have fifty thousand, one hundred thousand, one hundred and fifty thousand, and if we are correctly informed, several hundred thousand tons of coal in one or several great piles. Domestic consumers also in some cases have accumulated large stocks. There has been hoarding. Many have a goodly supply of coal on hand, but others are short. There is an unbalanced situation.

As to the actual supply of bituminous coal, last year more was produced than ever before; five hundred and two millions and a half of tons were produced: this year we shall have produced something over five hundred and fifty-two millions of tons, fifty million tons more than were produced last year.

This ten per cent growth is about a normal increase, regardless of the war, and as nearly as can be estimated we ought to have something like fifty million additional tons, to take care of the extra growth of our industries and the war demands.

We are actually producing today about one million eight hundred thousand tons per day, and we cannot meet our added needs by added production.

There is only one way in which we can do much toward making up this fifty millions of tons required for the enlarged industrial enterprises of the country, and that is by conserving our supplies. The Fuel Administration has called to its aid the best scientific and business brains in the country, and it will make recommendations for fuel saving that can be effected everywhere—in the house, in the boiler rooms of the smaller and the greater factories, in the locomotives and the steamboats.

Thus far I have not spoken of the greatest factor in the entire situation, that is to say, transportation. As fuel administrator I am not prepared to say to the people of New York that the difficulty they are experiencing is due to lack of transportation and not at all to any fault of ours. I am not trying to place blame upon the railroads. Out of a hundred freight cars, twelve are laden with coal for locomotives, and twenty-four to twenty-six with commercial coal. In other words, something like thirty-five per cent of all the freight of the country is coal. You will appreciate that with this enlarged coal production we are doing our part to overburden our transportation system. But the increase of coal freight has not kept pace with the increase in other freight. Though in normal years thirty-five cars out of every hundred are filled with coal, at present the proportion is much less. Coal has been taken out of the mines and put into cars and the cars have been moved off on the side tracks, and at that not enough cars have been furnished at the mines to take care of the production. During the last few weeks the allotment of cars has fallen to eleven, ten, even seven per cent of normal. Since the appointment of the fuel administrator in the latter part of August, car shortage has prevented operators in the bituminous regions alone from shipping out twenty millions of tons of coal. Those figures are furnished by the railroads, reporting to the Geological Survey of the Bureau of Mines. We have not had the full car supply, in part because cars are being used for other commodities.

But that is not all. The locomotive manufacturers of the United States have been sending most of the locomotives manufactured during the last few months to Russia and to France. Of several hundred locomotives completed within a given month recently, only eight or ten remained on this side of the water; the rest went abroad. The same thing is true of gondola cars. Further, on one of the large systems alone, forty locomotives lately came into the shops to be repaired, and there were not men in sufficient number to repair them. Here again was an impediment to the movement of cars. Our car supply is used up in carrying commodities other than coal; we are hampered by the shipping of cars and locomotives abroad, and we find ourselves in this emergency without adequate power to conduct coal transportation.



As if to add to the sum of difficulties, there is this further difficulty: The railroad systems of the United States have been built up as separate systems. There has been no adequate way of connecting the tracks. The Pennsylvania Railroad comes in at one place, the New York Central at another. The roads are not united as one great trackage system throughout the country. The cars and locomotives are separately owned; the train crews belong separately to different companies; the stocks and bonds are owned separately. The railroads have been making a herculean effort to combine their physical equipment, to make an exchange in the use of trackage, to send cars and locomotives from one road to another where the need is greater, but they began very late to do that. I am not complaining that they began late, I am merely stating the fact. There may have been very good reasons why they did not begin before they did. But the result is, as the railroad men tell us with regret, that the railroads of the country are not operated to maximum efficiency, and they are setting about to remedy that difficulty.

These are the big problems confronting the Fuel Administration. That administration is based upon what we may call our American system: the central power at Washington, the state representatives in each of the states, and local representatives in the counties and cities. If you wish to help in any way, even in the making of complaints, go to the representatives in your locality. Do not try to make a short cut to Washington. We will do our best to furnish the local representatives with the coal needed, and they will do their best to distribute it to you here. We had to have some kind of a working hypothesis to begin with, and we adopted that.

As I have said to everyone who has come to us in Washington, bringing the burden of the difficulties under which each is laboring, we are called upon to act, we are an executive arm of the government; therefore, we must act, act, act, and that means that we make mistakes. But I have not time to study the question overmuch and see whether mistakes are being made. I have surrounded myself with the most skilful men that I could bring to Washington, men familiar through a lifelong experience with the problems of the anthracite and bituminous fields, and we are laboring together to accomplish results in the face of almost insuperable difficulties. We are not afraid to make mistakes, and when we take an action one day and the next day discover it is

wrong, we are not afraid to say we were wrong, to take it back and start over. The state fuel administrators are giving us the benefit of the experience as each sees it in his own state or his own district; and the result of it is that out of the turmoil will come in the end an ordered system.

The great misfortune, of course, is that the bill before Congress became law at so late a day that it was necessary, so to speak, to build the house and live in it at the same time. Hence we have winter upon us, with our organization only just completed, with the coal only partially moved; therefore there is distress and apprehension. I can say only that the government at Washington—I do not mean the Fuel Administration alone, but all the departments of government—is alive to the necessities pressing upon us, and that there will be that kind of co-operation that will see us through, and which will bring out of the apparent chaotic condition at the outset something that will be ordered government, and that will solve, as far as it can be solved, this great question of fuel administration.

## THE MEANING OF THE WAR SAVINGS MOVEMENT<sup>1</sup>

DWIGHT W. MORROW

Director for New Jersey of the War Savings Committee

THE war savings movement has a place in a meeting the main purpose of which is the discussion of relations between labor and capital, because as Mr. Blackett explained to you last night, the war savings movement is not a campaign to sell bonds in small denominations; the war savings movement is essentially a movement to release labor and capital—meaning, by capital, farms and mines and factories and railroads and ships and all things concerned with production and distribution—meaning, by labor, those who render service of any and every kind. The war savings movement is essentially a movement to put the entire national output, over and above the requirements of healthy and efficient sustenance, at the disposal of the government in order that it may be abundantly supplied with all things needed at the point of contact with the enemy.

When the war first broke out in Europe, before the enormous drain upon all of the activities of the country was appreciated by anybody, people spoke in England, as people are still speaking in this country, of "business as usual." It took them more than a year to abandon that formula in England. They have completely abandoned it now. There are five millions of men under arms in England alone. That means to England what eleven million men in uniform would mean to the United States. Think of what it would mean to this country as organized at present, if eleven million men were withdrawn for service in the army and navy! And yet England is making more munitions today than she was making at the beginning of the war. She is carrying on her industries today better than she was carrying them on at the beginning of the war. And how? Because women are doing work that was formerly done by men.

What folly it is to talk of "business as usual," when women are tilling the soil, women are running street-cars, women are working in the munition plants! In some factories where fifteen-inch

<sup>1</sup> Introductory address as presiding officer at the evening meeting of the Academy of Political Science, December 15, 1917.

shells are made, practically all the workers are women. Women are making fifteen-inch shells, adjusting pulleys with ropes and other apparatus designed to move those shells from one part of the factory to another. Practically without the help of men, except the direction of the expert machinists who oversee the work, the women are carrying on that vast work, making that tremendous contribution to the work of the war. What folly it is to talk of "business as usual" in England when work is being done in that way!

I am not suggesting that the time has come when women in this country must till the soil, must run street-cars, must work in the munition plants. We do not know what it would mean to this country to have eleven million men under arms. But as the war goes on, as more and more men are taken for military service, we are going to learn in this country, as they have learned abroad, that the business that the country is engaged in, that the business that the world is engaged in, is not a usual business. It is a most unusual business for peace-loving nations, it is a business so unusual that this nation has never seen its like before; it is a business so unusual that if we prosecute the business properly now, please God, we shall never see its like again.

It is the purpose of the War Savings Committee in this country to do something of the work that was done and is being done by the War Savings Committee of England, to bring that fact home to all the people of the United States—the fact that war is a most unusual business for a peace-loving nation. When the War Savings Committee started in England, when they expressed the very ambitious purpose of teaching political economy to all the people of a nation they were laughed at. Yet that is what they attempted. They went before the people of England with a simple and fundamental proposition: "No one ever spends anything without making someone else work for him." No one ever spends anything without making someone, somewhere, somehow, work for him. Just now in the present emergency—every time the individual spends money for something he does not need he deprives the government of something, some goods or some services, that it needs to fight the enemy. That is the lesson that the War Savings Committee have worked to bring home to every family in England, and their efforts have been rewarded with a very large measure of success.

A direct result of that lesson was what Mr. Blackett well refers to as the gospel of goods and services. We hear a great deal of talk about wars being fought with money. Wars are not fought with money. Wars are fought with goods and services. When fought by a nation which has been organized almost entirely for peace, wars are fought by services rendered and goods produced, in very large measure, during the war. That is what is known as the gospel of goods and services.

They speak of it as a gospel, because the doctrine has been spread with something of the enthusiasm which accompanies religious movements. It means simply this, that at a time when a government is demanding more goods and more services than the country can produce, those who are requiring unessential goods and services for personal use are doing a direct harm to the government by their competition with it. It makes no difference whether a man or a woman or a child can afford to command goods or services or not; the nation cannot afford to have the individual command goods and services for non-essentials when goods and services are required at the point of contact with the enemy, and required before they are too late.

That doctrine of goods and services is the doctrine of capital and labor. Capital and labor are goods and services. Those goods which the nation needs at the front, the nation must have, and must have before it is too late. Those services that the nation needs, it must have, and must have before it is too late. If people will not voluntarily do without those things which they can get only by competing with their government, priority boards will have to act, and act more and more directly upon the individual.

The war savings movement is not primarily a drive for money. Men and women and children are given an opportunity to participate directly in the war, by doing without things. If they do without things that are non-essential to them but essential to the government and thus help the nation, even though they put the money that they do not spend in the ground, even though they bury their talent, they are helping their government to the extent that they are not exercising their command over goods and services in competition with their government. That may be a very low order of service; it is, of course, a low order of service compared with transferring that command of goods and services to the government or to the Red Cross or to the

Y. M. C. A., or to any of the other agencies that are contributing directly to the war; but yet it is a contribution to the prosecution of the war.

I am not going to suggest ways in which people may economize. In a large measure each person must direct his own economies. We find new ideas of what economy means as we go farther and farther along in the war. For instance, some people in England in the earlier days of the war, believed that it was waste to go to the moving-picture shows; it is true that children saved their pennies by not going to the "movies," but men gradually realized that after all it was poor economy to contribute money for recreation and community exercises of one kind or another at the front, and to have no relaxation at home, and the moving pictures in England today are doing a very large business. But running through all the moving-picture shows there is some education upon the great issues of the war.

The war savings campaign, which will grow stronger and stronger as the war goes on, means much more than a direct money contribution to the prosecution of the war. The saving of money is not of the greatest importance. The saving of money is a means to an end. The world must save the things that money stands for: goods and services. The world must save capital and labor. When the people of this country get the habit of thinking in terms of goods and services instead of in terms of money the government's task of carrying on the war will be rendered much easier. Moreover, the results of that thinking will surely continue after the war. Surely the new ideals, the new habits of living which we shall have acquired, will contribute their full measure of strength to the rebuilding and the upbuilding of things and of men in the days of peace that are to come.

## ENGLAND'S EFFORT TO PAY FOR THE WAR OUT OF SAVINGS<sup>1</sup>

BASIL P. BLACKETT

Representative of the British Treasury

THE story of the British effort to pay for the war out of savings is one of a gradually widening vision of what was involved. When the war began, thinking by departments was the order of the day. It was customary to speak of "the navy's task" and "the army's task" and "the treasury's task," and while it was, of course, realized that they all contributed toward the achievement of one purpose, it was as much as each department could do, when the war first broke out, to concentrate on its own particular activity.

The first big task with which Great Britain was confronted was the need for an army of millions instead of an army of thousands. A recruiting campaign was set in motion, and for a time everything was subordinated to the obtaining of recruits for the army. In spite of the interference with normal business which inevitably resulted, we were sufficiently blind to what was really happening to accept the cry of "business as usual" as our first catchword. That phrase had its proper significance when it was invented, but it attained a much wider meaning than was intended by its author. Its proper limited meaning was that in spite of the shock to credit and to the mechanism of finance, it was the duty of those who could not fight to attend to the everyday details of their own business and keep the machinery of business and finance running as smoothly as might be. It meant that there was work for everyone to do and that harm, and not good, would result if people wasted their time and energy by neglecting their ordinary occupations as if they were the excited spectators of a drama, and as if watching the unfolding of the drama was all they had to do.

After the recruiting campaign, came the shortage of munitions. The two subjects of recruiting and of the production of munitions were closely connected. It became evident that the scale on which we were producing munitions of war had to be increased in

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 14, 1917.

even larger proportion than we had increased, or were trying to increase, the numbers of our army. The Munitions Department was accordingly created and set to work on its task of organizing industry and labor for the production of engines of war on a colossal scale. Yet it was some time before the questions of recruiting and of the production of munitions were fully co-ordinated, and it was only after immense efforts that the need for recruits and the need for munitions were visualized and regulated as two aspects of the same problem.

Meanwhile finance was following its own course. During the first five months of the war those who were responsible for finance were mainly taken up with heroic and, on the whole, successful measures to prevent the collapse of the delicate machinery of modern finance based on credit and credit instruments. Owing to Great Britain's position as the center of international finance, this problem involved not merely Great Britain, but the world as a whole. During the same period some provisional steps were taken to increase taxation, and a war loan of \$1,750,000,000 was issued. This was no mean feat at a time when all the stock exchanges of the world were closed, and when but three months had elapsed since the fateful days at the end of July 1914, when international finance seemed to be on the verge of complete paralysis.

It was in January 1915, when the London stock exchange was re-opened, that the first official steps were taken toward conserving the capital of the country for the financing of the war. The stock exchanges of Great Britain were re-opened under new conditions. They were bound, as they are bound today, by what are still known as the temporary regulations for the re-opening of the stock exchange, which imposed very strict limitations on all dealings in capital. Among the questions which were uppermost in the minds of the bankers and brokers during the discussion with the treasury as to these regulations was the protection of the London money market against enemy dealings in securities; but there were two of the regulations unobtrusively introduced which involved quite other considerations. These were the regulations which aimed at preventing any new issue of capital during the war without treasury approval, and which prohibited the sale in the United Kingdom of any securities which had not been continuously in physical possession in the United Kingdom since the beginning of the war. Both these regulations were aimed in part



at the prevention of enemy dealings, but they were really a first step toward the use of financial weapons to discourage business that was not essential for the prosecution of the war. It was only gradually that people began to understand that by preventing the purchase in Great Britain of securities imported into Great Britain since the war began, the treasury was aiming at preserving for investment in war loans any new capital seeking investment. The restrictions on new issues of capital were naturally followed by restrictions on capital expenditure by municipal and public bodies. At first the municipal authorities were not inclined to accept any restrictions. Their favorite argument was that investors in securities of the kind which they issued would not in any case invest money in government securities, and that, therefore, they were not competing with the government. But they gradually came to understand that whether or not the money which they refrained from using for capital expenditure was lent to the government, they would, by refraining from spending it, be leaving a free field to the government for the labor and materials which the government desired for the war. The question of conserving the capital of the country for the war began to be envisaged as merely one aspect of the question of releasing men for the colors and setting free labor for munition works. A big step forward was taken when the local authorities generally, convinced by these arguments, co-operated loyally with the government in discouraging all forms of municipal expenditure which could not be defended as being necessary for the achievement of victory.

Meanwhile the problem of paying for the war out of savings was being approached from another point of view. In accordance with her old traditions, Great Britain proceeded to increase taxation as fast as seemed possible without causing overwhelming disturbance of monetary conditions. The initial increases in taxation were small in comparison with what has since been achieved, but it may be convenient at this point to anticipate the story a little and to give the figures of British annual revenue for the whole period of the war.

In the financial year 1913-1914, the last complete year before the war, Great Britain's revenue and expenditure amounted to just under £200,000,000, or \$1,000,000,000, her expenditure including, however, a sum of about £10,000,000, or \$50,000,000, for reduction of debt.

In the year 1914-1915 the total revenue was £270,332,000, say \$1,350,000,000.

In 1915-1916 the revenue was £336,766,824, say \$1,680,000,000.

In 1916-1917 the revenue was £573,427,582, say \$2,870,000,000.

For 1917-1918 it is estimated that the revenue will amount to between £650,000,000 and £700,000,000, that is to say, to something between \$3,250,000,000 and \$3,500,000,000.

As compared with the pre-war figures, this means that an additional \$2,250,000,000 to \$2,500,000,000 is being taken out of the pockets of the people each year. This is a very considerable first charge on the annual savings of the country. Indeed, it is not far short of the highest estimate of the total annual savings of Great Britain prior to the war. Of course, with the rise in prices and the immense increase in productive activity directed to war purposes, with the decrease in unessential expenditure, the annual savings of the country (leaving out of account the government's expenditure on the war) have increased enormously.

But it was not possible to impose the extra taxation all at once. The treasury realized from the first that extra taxation and subscriptions for war loans must come out of the same source, namely, the surplus of the income of the country over the amount spent by private individuals on their own requirements; or, in other words, out of the surplus of the goods and services produced over those privately consumed. The position was, of course, very considerably obscured by the fact that people in England were able, if they wished, to contribute both to taxation and to war loans out of the proceeds of the sale of securities, and it was not easy to make people in general recognize the essential difference between the sale of securities by John Smith of London to John Jones of London, and the sale of securities by John Bull to Uncle Sam. The power to obtain cash, or, in other words, the power to obtain immediate command of the goods and services in course of production in the world by selling securities to neutrals, was one which has been of enormous importance to Great Britain in financing the war. It is still of some importance, but with the gradual disappearance of neutrals the world over and in particular with the joining of the Allies by the United States, the sale of securities in Great Britain to purchasers beyond the seas has lost a large part of its former value as a means of financing the war.

Now that the whole of the resources of the United States are thrown upon the side of the Allies, the sale of American railroad stock by London to New York no longer adds to the resources available for war against Germany. All that it does is to transfer from America to Great Britain the power to command goods and services which are in any case already potentially available for war requirements. In other words, the war must now be paid for entirely out of the annual savings of the nations at war. At the time I am speaking of, in 1915, such sales of securities to the United States meant that Americans accepted the past savings of Great Britain in exchange for goods and services actually being produced in America.

From the point of view of the country as a whole, the sale of securities abroad and borrowing of money abroad mean that past savings are being dissipated. It is, therefore, of enormous importance that new savings should be effected. In the case of Great Britain, however, it has to be remembered that new capital has been invested and still is being invested abroad in larger volume than before the war in the form of British loans to Britain's allies. Even since the United States entered the war, Great Britain, in the six months ending September 30, 1917, has lent \$1,450,000,000 to her allies. To a very large extent Great Britain has during the war not so much realized her previous investments abroad as re-invested her savings in new directions.

It would obviously have been undesirable in 1915 to raise taxation to a point at which the taxpayer would have been inclined or compelled to pay his taxes by the sale of securities to neutrals. Taxation as a method of raising money for a war has the advantage that it provides a strong inducement to the taxpayer to economize. If it is increased beyond the point at which for the time being economy is likely to result, heavy taxation does more harm than good. The balance of the expenditure on the war that could not be raised by taxation had, of course, to be raised by borrowings. The issue of a war loan was accordingly decided upon in June 1915, and over £600,000,000 (\$3,000,000,000) was secured. It was during the war-loan campaign of 1915 that the phrase "War Savings" first became popular in Great Britain. An effort was made to issue that war loan in a form which would make it attractive to the small investor. It has never been possible to identify the contribution of the small investor to the various loans issued in Great Britain, owing to the fact that on the

one hand big contributions from building societies, co-operative societies, savings banks, and like institutions, contributions which are really in fact contributions from the small investor, are hidden away among the large subscriptions, while on the other hand, for one reason or another, some of the small bonds issued through the post office have been bought by others besides the small investor. Financially, the response from the small investor to the invitation for subscriptions through the post office in the war loan of July 1915, was not unsatisfactory, but in the course of the next six months, experience proved that the problem of securing contributions to the war loans from the wage earner was still altogether unsolved. So little was the true state of affairs realized that quite patriotic people thought they were really helping when they were enticed into buying such things as motor cars by advertisements offering to take payment in whole or in part in war-loan bonds—as if it were not obvious that the last thing a patriot should do is to sell or part with his war-loan holdings for the sake of obtaining cash to spend on luxuries. A campaign for war savings was started immediately after the war loan of July 1915, but its results were not very satisfactory. It was almost entirely a bond-selling campaign, and there was little attempt to explain the fundamental reasons why saving was important. Local war savings committees were established in various cities, but as they had nothing suitable in the way of a bond to sell to the small investor, and as they had no definite functions other than those of preaching, they soon either died a natural death, or if they remained nominally alive, were quite inactive. When a new war savings campaign was opened on new lines in 1916, one of its first problems was to overcome the resulting unpopularity of the war savings movement, and to obtain the substitution of active and vigorous local war savings committees in places where one of the old committees was still officially in existence.

The 1915 war savings campaign failed, and the cause of its failure was that those who were conducting it were still thinking in terms of money. The British experience was that the essential prerequisite to a successful war savings campaign is to translate terms of money into terms of the things which money commands, or into terms of "goods and services."

Although it had obviously become antediluvian, the cry of "business as usual" had still strong hold throughout the country. It was incompatible with the setting free of labor from non-

essentials to essentials such as the production of munitions; but "business as usual" appeals strongly to natural human selfishness and was in many cases, I fear, a cloak for the cry of "pleasure as usual." I do not mean to say that those who were using the cry of "business as usual" were consciously unpatriotic; the difficulty was to make them see the fallacy of their position. The arguments which they produced were plausible. "How can we pay taxes if our business is taken away from us?" was, perhaps, their favorite argument. When in the beginning of 1916 the National War Savings Committee was appointed, it set to work to combat this argument. Its answer was this: If I spend £100 on buying things and so enable the seller to pay £10 extra in taxes, surely it would be much better if instead of spending the £100 I lent the whole of it to the government. And then we went on to explain that there was an absolute shortage of goods and services available for the war, that energy must be transferred from the production of non-essentials to the production of essentials, that the consumption of non-essentials must cease in order that their production might cease. Moreover, the opportunity for a transfer of energy from non-essential to essential businesses was unique. There was an unlimited demand by the government for the labor and the skill of all who had labor and skill to offer, and if non-essential businesses were closed down there would be no difficulty whatever in finding employment for those who had previously been engaged in them, whether as employers or as employees. In many cases the transfer was extraordinarily simple. Jewelers and watchmakers can turn almost immediately to the manufacture of fuses. I know a builder in London who was able to turn his workshops almost without any changes into the making of shells.

At the end of 1915 a committee under the chairmanship of Mr. Edwin Montagu, now secretary of state for India, who was at that time financial secretary to the Treasury, discussed the question of war loans for the small investor. In its report this committee wisely went one better than its title: it declared that the problem was to secure savings by rich and poor alike, that saving was the essential thing, and that if the savings effected could be secured as subscriptions to government war issues, incidental advantages would result, but that the first and most important thing was to make people save. It was on the recommendation of this committee that the National War Savings Committee was ap-

pointed. I have already described before many audiences in this country the progress of the war savings campaign which was initiated by the National War Savings Committee, and I do not propose to repeat today at any length what I have had to say on that subject. The success of the war savings campaign—it has been an undoubted success—was due to a large extent to the invention of the war savings certificate which has now the proud privilege of being the model for the American war savings certificate. In addition, small exchequer bonds in denominations of £5 and upwards were placed on continuous sale over the counter at the post offices. In a large measure also success has been due to the organization of local war savings committees and war savings associations throughout the country. It was a new idea in England to go out to the public and persuade them to buy bonds. Prior to the war, the financial houses in Great Britain which had bonds to sell expected the investor to come to them and buy the bonds; they did nothing more in the way of touting for custom than the despatch of circulars to selected addresses. The National War Savings Committee gradually built up an organization which urged people to save and buy government securities, and offered easy facilities for obtaining them.

But at bottom the success of the war savings campaign has been due not to the excellence of the securities which it had to sell, not to its organization, not to its bond-selling efforts, but to the atmosphere which it has created. It is hard to describe what I mean by the phrase "war savings atmosphere." Those who have taken part in the war savings movement in Britain understand what it means. I have said that the terms of reference on which the National War Savings Committee was appointed emphasized the importance of saving, and left the question of investment in government securities in the second place. Starting out from this basis, the committee gradually extended its conception of what its duties were. It had been appointed at a time when thinking in departments was still prevalent, but when the country as a whole was beginning to be conscious that behind the diversity of departmental duties there was unity to be aimed at, all directed towards the same object—victory, the victory of democracy over tyranny, and that there must be some single idea and ideal in which the diversity of departmental duties could be gathered together in a higher unity. The members of the National War Savings Committee began by urging the importance of savings.

And in explaining savings to themselves and to others, they began to see that the word meant the placing of goods and services at the disposal of the government in increasing volume, that it meant increased production, avoidance of waste, as well as refraining from unnecessary expenditure. Service for the country, whether paid or unpaid, increases the goods and services available for the war. Bandages and Red Cross articles produced by voluntary labor increase the goods available for the war. It does not matter whether they are paid for or not paid for. Thus the National War Savings Committee and those whom it reached throughout the country began to see that all the problems of the war could be summed up in one idea—that the release of men for the colors, the production of more munitions, increased agricultural production, the problem of organizing labor for war, the tonnage problem, the problem of shortage of means of transportation, were all aspects of this one idea; the effort to save money by avoiding expenditure was only another aspect of it. And it could all be summed up in the ideal of a nation organized for war, but organized by its own voluntary effort in a democratic way and not by force imposed from above. It was this ideal that the National War Savings Committee began to see as its vision widened. Its workers went about the country showing people that what was necessary was to increase the goods and services available for the war and that this must be done by increased production on the one hand, and on the other hand by stern economy in the avoidance of all expenditure which would put the individual in competition with the government for the goods and services which the nation needed.

An organization has been built up covering the whole country. There is a local war savings committee—there are over 1,500 of them in all—within easy reach of every inhabitant of Great Britain. Its function is to explain the need for war savings and to establish and supervise war savings associations. These latter are clubs for co-operative saving by instalments, providing the readiest of facilities for the saving of small sums. Over 40,000 such associations are now at work.

The war savings movement was like a snowball. Each new local committee added new workers; each new association led to the establishment of other associations; each new member of a war savings association brought in other members. The enthusiasm engendered was extraordinary. It was the unselfish ideal

behind the movement which was the key to this enthusiasm. The only phrases that I can use that seem at all to do justice to our experience are religious phrases. We went about proclaiming the gospel of right spending. A revivalist movement is the best parallel for the growth of the war savings movement. Our workers were missionaries. We owe much to the democratic nature of our organization. The Briton refused to be organized for war from above, but he quickly understood what was meant by the organizing for war of the people, by the people, for the people. What happened in the movement for increase of munitions production might be cited as a parallel; it was to a great extent labor itself which organized labor for the production of munitions through the action of its own unions.

It is obvious that statistics are a very poor index by which to measure the result of the war savings movement in Great Britain. The figures of the Victory Loan in January and February 1917, however, show something of the value of the organization created. The financiers hoped for a total of £500,000,000 or £600,000,000—\$2,500,000,000 to \$3,000,000,000. The war savings organization placed itself at the disposal of the chancellor of the exchequer, and the total of the loan was over £1,000,000,000—over \$5,000,000,000. The following statistics may serve as illustrations of what the small investor has done. They must be taken with reserve in so far as the small investor was and is an undefined entity, and allowance must be made for the fact that there are absolutely no statistics whatever available in which the subscribers to war loans issued through the Bank of England are classified according to the amount of their subscriptions. The total amount subscribed to British government war loans issued through the post office, that is, in denominations from 15s. 6d. upwards, up to September 30, 1917, is £206,000,000, or just over \$1,000,000,000. Of this amount war savings certificates accounted for just under £100,000,000 (\$500,000,000) net cash. All but about £35,000,000 (\$175,000,000) of this total of \$1,000,000,000 has been subscribed since January 1916.

The number of holders of war savings certificates is not exactly ascertainable, but it is estimated at not less than 12,000,000 persons, and may be as large as 15,000,000. The total population of the British Isles is about 45,000,000, so that more than one-quarter of the population or possibly as many as one-third have a direct interest in government securities, and remember that



no attempt has been made to make wealthy people invest in war savings certificates. The object of the issue was to provide an investment for the new savings of those for whom war loans and war bonds were not a convenient security. There was no desire to attract into war savings certificates money which would otherwise go into war loan bonds.

One further bit of information has just reached me. Prices have now risen to a level which is quite out of proportion to recent increases in wages in Great Britain. A year ago the rise in prices was still far behind the relative increase in wages, especially if the family be taken as a unit. For the increased number of its members in paid employment had meant for many a family an aggregate income of a size never dreamed of before the war. Yet in spite of all adverse factors, the number of war savings certificates sold weekly is equal to what it was a year ago. But whereas a year ago the sales were effected chiefly through the post offices and banks, at the present time the war savings associations are the largest factor in the weekly totals.

When we look back to the days before July 1914, and think of the changes which the war has brought about, one of the most remarkable in my opinion has been the immense widening of our outlook and the broadening of our vision. We have been lifted out of our own narrow and self-regarding interests. The world has been made one in suffering. Everywhere when men and women talk of the period after the war thoughts are expressed and projects are formulated which, if they have any real meaning at all, imply that never again will the conscience of humanity permit individuals or classes, or even individual nations or groups of nations, to put forward the claim that in the exercise of their own individual rights or "sovereign" powers they are justified in riding rough-shod over the rights and interests of humanity as a whole. This widening of outlook and of vision has been very marked in the story of Britain's effort to pay for the war out of savings. It is the story of the gradual growth of a wider vision in the region of war finance till the vision transcended that region and proclaimed that the problem of financing the war was neither more nor less than the problem of organizing ourselves for victory so that all the resources of the British nation, spiritual, moral and material, might be brought to bear on the achievement of a single purpose. Thinking in terms of money became impossible. Thought had to be translated from money terms into terms of

human activities. The message of the war savings movement became: "Produce more, consume less, waste nothing. The government wants all the goods and services the country can provide. If you have services to offer, offer them abundantly. It does not matter whether or what you are paid for your services: spend your money and yourself in the service of your country. In war time your money is your own to spend only if you spend it in a way that will help to win the war. If you waste it, or if you spend it on luxuries, even on comforts, or on anything not essential to health and efficiency, you are trenching on the surplus of goods and services that ought to be made available for the purpose of the war and you are increasing the toll which death takes from those who are risking their all for you." It has been impossible to stop at this point. "Spend your money and yourselves in the service of others." If this message is true in war time it must be true in peace time. Democracy must learn to organize itself for the good of the world. I am vividly conscious of the fact that the old problem of reconciling individual freedom with the greatest good of the greatest number is still unsolved. But after all is the message anything new? Is it not the old message of Christianity—that happiness lies in forgetfulness of self, and has not the war taught us all once again how much happier simplicity of life and service for others make us than the vanity of extravagance for the sake of extravagance? And so, in the dim distance, discerned as yet by faith and not by reasoning, the student of economics sees a vision of a new economic philosophy after the war, perhaps even of a new organization of society where both in individual and in national expenditure the duty and the pleasure of right spending will be known and enjoyed.

## THE VALUE OF THE THRIFT CAMPAIGN<sup>1</sup>

FREDERIC A. DELANO

Federal Reserve Board

WE are at war, and every energy is being directed towards winning the war. People everywhere are eager to help; everyone is asking what he can do. Indeed, the only complaint I hear is that the government does not demand something explicit. We complain that Uncle Sam is not ready to put his hand gently but firmly on every man's shoulder and tell him just what to do. People everywhere wish that the theory of the draft were carried out, not only among the young men, but with all the population, young and old, men and women. They think that it would be desirable, if we were all registered in the nation's big book, to show just what we could do for our country, and then were called out in rotation as needed. That would relieve a good many of us; that would settle for many of us difficult questions, which without a universal draft irrespective of age and sex, we cannot settle except by appeal to that monitor of our lives, our conscience.

We have come to see, as this war has progressed, that the most momentous decisions are not won solely on the battle field. We are coming to see that the aims worth fighting for, and worth shedding blood for, involve real sacrifices. Not only must we save food and give money, we must give ourselves. Indeed, many of you realize that we may be required to give what is yet more dear than our own lives; we must give the lives of those we love.

But I am here this evening to speak, not of the war, not of its noble aims, not of our duty, but of a small part of the work which war entails, the work of raising money to meet the necessities of war. The act of Congress passed September 24, known as the War Credits Act, provided among other things that the secretary of the treasury might issue two billion war savings certificates in small denominations and might employ the device of stamps to evidence payments for them.

The secretary of the treasury undertook the task by naming a committee of five to take charge of the work, and designated Mr.

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 14, 1917.

Frank A. Vanderlip of New York as its chairman. Since early in October that committee has been busily at work on the details of the plan and on the organization of the campaign for selling these war savings certificates.

I need not go into the details of the plan because you are all familiar with it. The object of the scheme is to sell what is virtually an interest-bearing government bond of small denomination; but instead of attaching a coupon for the semi-annual interest payment, the interest is added to the principal. Thus a bond in the form of a large stamp affixed to this certificate becomes a five-dollar bond, selling at \$4.12 and worth with accrued interest \$5 in five years. But the same certificate with additional stamps up to twenty may become a bond for any multiple of \$5 up to \$100. Furthermore, provision is made for school children to accumulate the price of this \$5 bond by 25-cent thrift stamps affixed to a card.

Our committee does not claim that the idea originated with us, though the plan is novel in many of its details. It is based on the very successful English war savings certificate plan with some American features, suggested by Mr. Vanderlip, which we think are improvements on the original idea.

The essential difference of the American as compared with the English plan lies in the fact that the entire American issue for the year 1918 is planned to mature simultaneously January 1, 1923, not at varying dates, as in the English plan. In order to bring about this result we are compelled to advance the selling prices of our certificate stamp one cent per month.

We believe we have an advantage in a simultaneous maturity in that we shall be able to give the holder several options at maturity. We can give him cash, or if he prefers, a coupon bond, or possibly a permanent annuity. It is conceivable that on January 1, 1923, Uncle Sam will say to every holder of \$1,000 matured value of certificates: "I will inscribe your name in my golden book, and thereafter as long as you live, and as long as time, I will pay to your heirs and to the heirs of your heirs \$20 every six months—in effect a permanent annuity. Thus without any bother to you to provide an adequate safe or strong box—without danger or fear of loss, your name is inscribed in the great golden book of the State, and there it will remain until you elect otherwise, as a permanent creditor of the nation."

But, it might be argued, could not two billions be raised, with less effort and more quickly, in larger denominations? This is

indeed a practical and a pertinent question; and if the raising of money were the only consideration, I should have to concede the point. There are, however, several reasons why the campaign for small subscriptions is being inaugurated. First of all, out of a population of more than one hundred millions, we have been able, through two very intensive campaigns, to obtain subscriptions of less than ten per cent of the people; and, indeed, this in itself was a fine showing, and it is not likely that more than fifteen per cent, or fifteen million people, can be induced to subscribe to the larger denomination bonds, even on the attractive partial payment plans which are being offered. It is therefore apparent that there are still some ninety millions of people who must be reached in some other way. The average subscription in the last Liberty Loan was approximately \$450; the average subscription hoped for in this War Savings Certificate campaign is \$25; but after all, it is not only the question of reaching new subscribers that we are interested in—it is also the idea of teaching the lesson of thrift in every home.

As every economist knows, the war must be paid for partly out of the accumulated savings of the past, but (because those are so largely invested in bricks and mortar) chiefly out of the savings of the future. This, translated into still other terms, means that the war can be paid for only by self denial. None of the schemes which have ever been devised for bond issues, issues of government credits, or fiat money, have ever avoided the fundamental and final necessity of paying the cost of war out of the savings of the people. Taxation and the issuance of government bonds are merely ways of commandeering and coaxing hoarded savings and inducing people to make additional savings.

That there are many difficulties in carrying on the campaign and that its successful consummation requires the help of the best minds in every walk of life, cannot be doubted; for as a nation we are not a nation of savers, but a nation of spendthrifts. Saving has not been popular. People who saved have been thought mean, and the very wide distinction between meanness or stinginess on the one hand and thrift on the other has not been recognized. Indeed one of the beneficent results of this war should be to give us all a better understanding of what thrift is and what it means. It ought also to make us better acquainted with the French nation and the French people, whom we have little appreciated or understood. The French people have long

been noted for their thrift, and yet no one ever thinks of a Frenchman as being mean or stingy; and I suspect that the thrift of the French is something which was learned in the bitter lesson of the Napoleonic Wars. If, from the experiences of this war, our people, great and small, can learn the beneficent results of thrift, it shall not have been in vain. And, as it often happens in manufacturing that the by-product becomes more important than the primary product, so it may come to pass that in this campaign for raising funds to carry on the war, we shall find that the by-product of thrift, inculcated in our people, may remain with us as a much more important and beneficent result than the main object for which we strive.

## TRANSPORTATION, TRADE POLICY AND THE WAR<sup>1</sup>

CALVIN TOMKINS

Former Commissioner of Docks and Ferries, New York

TO stop the enemies' communications and to develop commercial freedom, accessibility and opportunity for all international-law-abiding peoples—that has become the federated policy of the world. The league to enforce peace has been inaugurated by the Allies and acquiesced in by the neutrals, and its consequences are daily becoming more apparent. That league is the league of the armies and navies of the Allied nations that are fighting Germany. The Central Empires are being shut in tighter, economic pressure supplementing military force. Their undersea assault upon the world's commerce is becoming less menacing, and what the armies and navies of the Allies may not quickly accomplish will in the end surely be achieved by the continued exclusion of the Central Powers from the sea, from markets and from sources of supplies. The whole world is organizing to resist German autocratic aggression, because it cannot continue part free and part autocratic, not even within Germany itself. The war will go on till this issue shall be settled. Any compromise can result only in a truce, after which the struggle will be renewed, since improved communications have made the world too small to tolerate these two antagonistic ideals of government.

It is the virtual shrinkage of the world, brought about by improved transportation, that is primarily responsible for this war. There are many proximate causes for the war, but the fundamental cause, as I see it, is that improved transportation has made it difficult for nations to live together unless they do so in a co-operative way. The old assertion of individuality, of national sovereignty, has been outgrown. Until we get away from that idea we shall be threatened by war.

National sovereignty and international anarchy are interchangeable terms. The nations have come to occupy about the same relative position in the world that the citizens in each nation

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 14, 1917.

did, within that nation, before the war. When any national overstepped the law he was liable to be shut up in prison. When any nation in future oversteps international law the remedy to be applied by the league for the enforcement of peace will be the power to close the seas to that nation. That is virtually what is being done to Germany now, and Germany will lose this war because she is shut out from the rest of the world.

The Germans are the most powerful ethnic group among the nations. Feudalism, capitalism and socialism, which elsewhere are antagonistic, have under the influence of an intense German nationalism been fused into the most effective co-operative organization that the world has known—co-operative within, ruthlessly aggressive without. There can be no security for the world till the German will to dominate shall give place to willingness to co-operate as merely human men and women with the rest of us. Our losses will be minimized and the war will be shortened, if we can succeed in dividing public opinion in Germany and if we can quickly open up the world's resources to the Allies and keep them closed to Germany.

The world's shipping is beginning to be administered under international control and is being co-ordinated with the railroad and storage facilities of our allies and the neutrals. Railroads and terminals within the United States are also being co-ordinated and administered as a great national business unit, with an efficiency never before attained. The war in itself, aside from its political ends, is effecting a stupendous change for the better in our heretofore ineffectual, unrelated transport systems. Already, under the direction of the federal government and the patriotic and intelligent supervision of their own ablest officials, the railways of the country are being operated as one system, to the immense advantage of themselves and the country at large.

The great difficulty to overcome in the United States, in reorganizing our transportation system, is the law and the customs which have governed that system. The Interstate Commerce Commission took hold of the railroad situation a number of years ago, and treated it on the basis of competitive operation by the separate railroads, attempting to maintain competition between the roads; that idea of enforcing competition runs all through the court decisions, and underlies the fundamental law of the land on which those decisions are based. Competition must be maintained; that has been the rule.



What are we doing now? We have thrown all that aside. It has become evident that in order to meet war conditions, co-operation must take the place of competition. First of all, we established a loosely knit system of co-operation among the railroads, largely voluntary, patriotic and effective. An immense economy in the use of railroad equipment and roadbed has been effected by that.

But experience has demonstrated that is not enough, and one step after another in addition has been taken; and now we are apparently about to take the final step, which has already been taken in England, of actually consolidating under federal supervision the entire railroad system of the country and operating it as a single unit, obtaining the advantages of unity in administration, and in use of terminals, roadbed and all facilities.

One of the greatest difficulties confronting the railroads is that the cities and the states, with the exception of Louisiana and California, have done very little for them in the way of terminal organization at seaport terminals. The railroads have been left to provide their own terminals in their own way; some of them have been much more enterprising than others in this particular, and have much larger investments, which they are of course in duty bound to protect for their stockholders. At New York city, roads like the New York Central and the Pennsylvania have terminal facilities incomparably better than those, for instance, of the Erie, because they have had the money to spend and because they have been enterprising.

Modern port organization means connecting terminal roads together in such a way that all the terminals are used interchangeably. That is what the government is now proposing to do. Of course, that places all the roads on a parity of opportunity; those roads that have large investments in terminals will give up those advantages to their former competitors who have insufficient terminals. This is unfair, and in some way the roads which have the better terminals must be compensated for pooling those terminals, so to speak, and giving the less fortunate roads the opportunity to use them. This result has been difficult to attain on account of the law and the decisions of the Interstate Commerce Commission. Now it will be possible to pool terminals, because the federal government intends to do so, law or no law, here in New York city.

After terminals are pooled it will be necessary to pool freight, because there will be no more competition, and the freight will have to be divided on some prearranged basis of pooling. In other words, we are throwing to the winds all the old antiquated attempts to keep competition alive and we are endeavoring under the direct influence of the president himself, to substitute co-operation for competition. Co-operation and competition cannot go on together, and the government, in addition to publicity and supervision, must soon revise its present policy and permit the roads to pool their terminals, their equipment and their freight.

You have heard a great deal about the necessity for railroad rate increases, in order to find the revenue necessary to make improvements and continue railroading as it should be under the increased strain put upon it; and there have been intimations of a moderate increase in rates. Some increases have been made. Any increase that is likely to be made, so long as the railroads are owned as private enterprises, will in my judgment be utterly inadequate to meet the advancing charges placed upon them, due to increased costs and increased amount of business being done. Is it not probable that in the future, as in the past, the roads must continue to look to increased efficiency, rather than too exclusively to increased pay for services? For the past ten years they have kept themselves solvent by improving roadbed, equipment and service. Will not the principal opportunity of the next decade be found in service integration and administrative co-operation, rather than in much higher freight rates? When government ownership arrives, there will not be the same opposition to higher freight rates.

The railroads deserve more consideration than they have had in this period of increasing costs, but the best thing the government can do for them is to help them unite and help themselves, instead of keeping them apart, leaving each road to meet its peak load with its own limited resources. I venture the prediction that our present war-time integration of service will not be pulled apart after the war is over, but that these processes of physical co-ordination and administrative unity will be continued.

It is interesting and profitable for America to study English precedents, and usually to follow them. The English roads were private enterprises under government control. As soon as the war broke out, these roads, on a prearranged understanding, were

immediately taken over and operated as one great transportation enterprise by the British government, just as President Wilson is proposing to do with our roads now. The change was made without jar, and one of the most admirable facts in British war organization has been the administration of the railroad system during the war period. The troops were at once sent over to France. Supplies have followed regularly. The roads have been administered economically. The government has guaranteed a certain minimum of earnings to the stockholders. The change has come about without friction, to the immense economic advantage of the country, not only for war purposes, but for peace purposes afterwards. There is no likelihood, I am informed, of the roads ever being subjected to disintegration after the war is over.

International control of the mercantile marine of the world is rapidly developing under the urgency of the war. The Allies have begun to pool their ships and port facilities, and circumstances are compelling the neutral nations to co-operate with them against Germany, since there is no German commerce. The question will soon arise, how far such international control of ocean transportation will go, and how permanent it will become. When we recall to what an unwarranted extent irresponsible private shipping pools have in former years either fixed or influenced the values of our exports and imports, the query arises whether the present war-time policy should not be continued when peace comes. To my mind, international control, at least over North-Atlantic commerce, will be a natural sequence of the war, because it will be in the economic interest of the peoples of Europe and North America, and because it will afford the means, or at least one means, of curbing unfair national exploitation policies in the future.

A great deal could be said on that point, but I simply wish to emphasize the importance of considering the desirability of maintaining the ships, as well as the railroads, under national control, after the war is over. The railroads control the ships, because they bring the freight to the ships, and with the immense investment that the United States will have in shipping after the war is over, it is vital that there should be substituted some policy of international control, at least over North Atlantic commerce, for the chaotic, reckless competition—a competition perhaps the most bitter and the most provocative of international differences, of any competition in the world—that competition which exists

between the ships of different nationals, plying between the great seaports on both sides of the North Atlantic.

Whatever our wishes may be, it is inevitable that trade after the war will assume national characteristics everywhere. This is another way of saying that states will hereafter foster the co-operative efforts of their nationals to secure markets and supplies, to an extent heretofore not thought possible. Great danger and great promise will attend the development of these processes, and it is essential that our railroad and ocean shipping policies should be wisely and promptly decided upon.

The war co-operation which already exists, and which is rapidly becoming industrial and commercial as well as belligerent, should, without delay, be consolidated and expanded among our allies and with neutrals, with the expectation of making it permanent. That, I think, is the practical way to strengthen the league to enforce peace, which is already in operation. It is not the legalistic evidence of coherent organization so much as continuous adaptation of existing conditions to permanent peace needs that is important. The president with admirable diplomacy has prepared the way for this in his letter to the Pope and in the last three paragraphs of his recent address to Congress.

I now pass to the consideration of an entirely different set of problems, for which I ask your very careful attention, because I think that they have not received the attention that they merit. In the wider field of world policies, is it an exaggeration to say that the desire for commercial privilege and for freedom from commercial restraint are the two primary causes of war, which world-wide freedom of commercial opportunity will go far to eradicate?

Within recent years, world conditions have fundamentally changed. Steam and electricity have made the world smaller, and its peoples closer neighbors, and have thus intensified both their sympathies and their antagonisms. The inter-dependence of nations is demonstrated by the present war. The extent to which credit, transportation and exchange have been paralyzed and business everywhere has been dislocated, shows the world to be more essentially a unit than was any considerable state only a short while ago. Commercial relations promote international good-will. The one great obstacle to this tendency is the method by which industrial competition between the peoples of different states has been carried on. Each state has attempted to secure

exclusive privileges for its citizens, instead of insisting upon world-wide equality of opportunity—the open door.

“Peace will never endure unless founded on justice, and fundamental justice is justice in economic relations.” Thus speaks Henri Lambert, a prominent Belgian senator, and I believe that his statement contains the gist of the wisdom necessary to avoid future wars. But there are different degrees and kinds of restrictions upon trade, that is, restrictions upon justice, which will gradually be abolished.

First, there is the restriction of tariffs imposed by nations upon themselves; that is protectionism. Under existing circumstances, it must be left to the intelligent self-interest of the masses and the solvent influences of commerce slowly to overcome the delusions and the selfish private interests on which this obstruction is based. That development cannot be forced, but each nation must be left to progress as rapidly as it can in the development of freedom of exchange. There should be the same freedom of exchange for commodities that there is for thoughts and sentiments between peoples.

Second, there are restrictions upon the uses for international commerce of the terminal and land transfer facilities of the great trade routes and seaports of the world. A few such ports command entrance to and exit from vast continental hinterlands. It is vital to these interior regions that their natural communications with the outside world should be kept widely open, and this is equally vital to the rest of the world. Obstructive control of such ports and routes, to the detriment of the world's commerce, cannot and should not be tolerated by states whose interests are adversely affected.

Rotterdam and Antwerp are the North Sea ports which naturally serve the trade of Central Europe, including that of Eastern France, Germany, Austria, Switzerland and Russia; and the service of these ports, or at least that of the best equipped free-port districts within them, as well as that of bonded railroads between them and interior countries, should be extended and guaranteed. And it should also be guaranteed to Germany after the war is over, for she, as well as the rest of the world, will come into the community of nations; and Rotterdam and Antwerp, together with Bremen and Hamburg, are her principal outlets.

The public opinion of the world should seek to bring about similar freedom of international exchange at Adriatic, Ægean and

China ports and the ports of the lower Danube. The ports of the lower Danube were administered until the beginning of the war, under a system of international control, and that should be re-established and strengthened. It had grown weak when the war began.

In order to avoid future complications, Constantinople and the overland route from Central Europe through it to the Orient should be specifically internationalized. If Germany could be assured of permanency of access and equality of opportunities along that route, one of the great difficulties menacing the future peace would be avoided. I cannot myself see how there can be the assurance of permanent peace with that route in dispute between the nations. That route must be internationalized if any trade route is to be internationalized, just as the navigation of the oceans to which I shall refer in a moment should be internationalized. The high seas and the overland route between Central Europe and India, must be made public and subject to common use, and I do not see how this can be done except by internationalizing them.

The Panama Canal ports, affected as they are with an international use, should be the first American ports adapted to this advance toward a free-trade policy. Through the influence of President Wilson the Panama Canal itself is now operated under conditions of equality for all. That is an honorable precedent which has already been established, and for which you will remember the President of the United States was severely criticized at the time by the reactionary sentiment of the country.

Third, there are restrictions upon opportunities to trade with territories ruled as colonies. You are familiar with the reasons for doing away with such restrictions. The backward countries of the world should be regarded as the world's commons, and there should be equality of opportunity there for all.

Finally, neutral trade has been circumscribed, and the sea has necessarily been closed to Germany during the war by the league for the enforcement of permanent peace; that is, by the navies of our allies and ourselves. Must not the civilized world agree that hereafter the freedom of the seas shall be restricted to international-law-abiding peoples? Outlaw nations, such as Germany is at this time, must be interned until they subject their sovereignty to the common will, since national sovereignty and international anarchy are interchangeable terms.

Panama, Suez, Gibraltar, the Dardanelles, Kiel, the Sault, the Belt, the English Channel and less important straits may well be considered as the world's international highways, through which commercial passage shall always be maintained on equal terms for the ships of all nations conforming to international law and order. That is a fundamental requirement if we are to have peace in the future. That should be the guarantee offered by the league for the enforcement of peace.

It is essential that public opinion throughout the world should make that one thing clear to the German people, and we have failed throughout, in England, in France and in the United States, to make that thing clear; we have been so bent on the war itself, with such bulldog concentration upon war issues, war economies, war efficiencies, that we have failed to use our other weapon—the wise diplomacy of President Wilson as set forth in his letter to the Pope and in his last message to Congress—to disintegrate public opinion in Germany. Neither mistaken diplomacy nor mistaken military finesse should longer restrain the American people from energetically supporting President Wilson's statement that the German people are invited to join an international federation of the principal nations of the world; provided they shall co-operate and help assure the world's security by substituting popular government for irresponsible autocratic government, and by substituting international law for absolute national sovereignty.

There can be no tolerable alternative for Germany or the rest of us. She must either seek to become an integral part of a civilized world federation or remain excommunicated under the tutelage of a feudal government for conquest, which will continue to be a perpetual conspiracy against the security and peace of the world, and which for their self-preservation other nations must necessarily resist by force of arms and economic exclusion. If the world can be brought to recognize the inevitableness of this conclusion, then I think public opinion in the enemy countries will gradually coincide with public opinion in the rest of the world, because there can be no peace until that issue shall have been definitely settled.

The war has demonstrated that international control of the sea is the only way to limit irresponsible national sovereignty on land.

## STORAGE AREAS AND WAR TRANSPORTATION<sup>1</sup>

FRANCIS LEE STUART

New York

THE first problem of the United States government in the present war is to marshal the resources of the country to produce, distribute and use such military supplies as may be necessary to win the war, and its second problem is to carry through such aims with the least possible disruption of economic conditions so that our people may have recuperative power to meet and cope with the more serious period of readjustment after the close of the war.

In this, the fourth year of the war, the effort of the United States in order to be effective must be so ponderous as to be irresistible, and to accomplish that end the production of material and provision of men must be planned accordingly. The distribution of necessary men and supplies must depend on applied simplicity for the success of its large continuous movement. The use of men and materials of war as far as this discussion is concerned, may be left to the field of operations.

The resources of the country will produce the needed military supplies, and it is therefore absolutely essential that such supplies should be so distributed that they will finally be under actual military control in order that there may be a dependable quantity for use when and as needed.

With the above essentials in mind, the Terminal Port Facilities Committee and the Storage Committee of the War Industries Board have recommended to the Depot Board of the War Department that:

- a. Storage areas and port facilities be created abroad for holding——months' supplies.
- b. That storage areas under military control be created at Atlantic ports to hold in storage several months' supplies, and that a number of ports be used instead of two or three.
- c. That interior storage areas be provided near the source of production for the collection of carload or train-load shipments to the terminal ports.

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 14, 1917.



In operation, as the storage reserve abroad is drawn on for use at the front, it is replenished by requisition from Atlantic terminal ports, which in turn are kept up to a fixed reserve by moving up supplies in an orderly manner from the source of production.

With the full realization that the winning of the war is the largest undertaking embarked upon by this nation, the various committees have felt that methods or principles of doubtful effectiveness were decisively unwise, and were unanimous in recommending the safe and simple methods outlined. Speaking as an individual, as an engineer, and not as a member of any committee, I wish to explain some of the logic involved in such an obviously simple recommendation and the bearing that it has on the present transportation congestion.

The ports selected were chosen because the export and import shipment business of the United States for the last twenty years has built up interior transportation facilities in proportion to the business of the various ports, and in this emergency there is neither time nor man-power to create greater railroad facilities than now exist, and the entire country's rails, north, east, south and west, should be used to advantage.

Engineering students of transportation know that the present methods of export transportation which rely on cars meeting ships or holding cars to load direct to ships should be abandoned as being inefficient and uncertain. Preferential orders which command, are in effect priority orders, and such orders cannot be depended upon for any continuous effort, as they will disrupt and break down any organization whether designed for transportation or for commercial purposes, so that storage areas are essential at the ports for the unloading of cars into them immediately upon the arrival of the cars, and these areas are to be capable of holding several months' supplies which shall be available by lighters, trucks or cars for loading quickly any ship offered without delay.

The storage areas require sufficient room for expansion, as the uncertainties of the war are such that no man can foresee whether we shall have to furnish military material for two million or four million men, or even a greater number. It is wise in planning for such a movement that the areas selected should be large enough to take care easily of a storage which can be expanded as required to meet the varying emergencies which may arise, without having

to create new organizations or educate large forces in new methods.

It is necessary to build storage areas, for there are no suitable areas available which are unoccupied by industries. The necessities of war will have a disastrous enough effect on the economic health of the country even with well thought-out endeavors to conserve the earning power and effort of the community and prevent the tearing down or disrupting of going concerns which in their indirect way, if not in a direct way, are necessary for our continuing strength.

Warehouses and layouts of the storage areas have been designed with due consideration of safety from fire or other risks. Quickness of dispatch to ships, and efficiency and simplicity of operation are other important and contributing conditions in the development of plans, and while the storage areas are close enough to rail facilities which serve the ports, they are segregated, and their operation should not greatly interfere with the other efforts of the country.

Piers and berthing spaces for ships are available at every port, and it is recommended that we conserve man-power and materials by using such facilities as loading places for ships with materials from the nearby storage areas.

If the business of the country had been normally progressive, the railroads would have been unable in 1913 to avoid congestion, as their improvements were not abreast of their needs; without the addition of new facilities the congestion of today was a certainty from every angle. Such congestion has been greatly augmented by abuses in use of cars for storage.

What can we do to avoid such congestion? In my opinion the greatest relief that can come in this crisis is the physical co-ordination of the railroads and a formidable public demand which will dictate a change in our business methods and compel an immediate unloading and release of a car. This will require readjustment of business sites in the end, but the immediate methods will be the maintenance of a storage area in every plant and a greater use of the already prepared roads, such as city streets for distribution by trucks or other means which do not require special tracks.

As to the railroad question itself, as long as republics require and encourage private capital to take the business risk of their early development and growth, there will be a desire as the coun-

try grows older and new generations control, to repudiate the cost of such agency, in spite of the fact that such help has made them great; but regardless of the merits of the case, this is not an opportune time for either party to force the issue.

The railroads' financial structure and credit have been crippled—how or why we have no time to consider now; their full usefulness must be conserved at all cost—but it seems to me unwise further to jeopardize their efficiency by government experimentation with their working organization. The railroads today are manned by an organization that has taken years to create and train. Their ability is unquestioned. The Railroad War Board have their records behind them and only business effort ahead and are the survival of thousands of able men who have been seeking the same recognition. In my opinion, there is nothing in the accomplishment of any other business body today, and certainly not in the record of any government supervision justifying any expectation that the government could guide the railroads' efforts as efficiently as such a Railroad War Board working with and for the president of the United States.

The congestion will be at its height in February and March. There will be attacks, criticisms and what-not, and the usual scattering of ideas. The danger is that the country will try some cure-all, thus causing added confusion which will take months of efforts to overcome.

Let us hope it will be possible to get decisions and co-ordinate the many unrelated efforts of the government, and in spite of slow progress for the next few months, to hold steadfast to tried methods of simplicity.

## THE PROBLEM OF UNIFIED RAILROAD OPERATION<sup>1</sup>

T. W. VAN METRE

Columbia University

FOR a number of years the business world of the United States has had a sick man in its midst, the American railroad business. There is a body of consulting experts at Washington to which the railroad managers have often appealed for a remedy, but with small measure of success. Recently, however, the experts have suggested, of their own accord, a most drastic cure for the railroad ills. Revolutionary changes in legislation or in administration have been recommended by the Interstate Commerce Commission in a special report to Congress.

The one outstanding fact about the railroad business just now is that the railroads are not producing transportation sufficient to satisfy the demand. Though the railroads are hauling a greater traffic at the present time than they ever hauled in previous years, they are falling far short of caring for all the traffic offered to them, and the country is suffering seriously because of their failure.

The railroads should adopt at once any expedient which will lead to a greater efficiency in their service. Many expedients are being offered for consideration, but few of them are of value. It is absolutely useless at the present time for Mr. Ford or anybody else to chide the railroads for using a 100-pound basket to carry 25 pounds of goods, and it is a waste of words to suggest that if the railroads would use cars made of steel with a tensile strength of 100,000 or of 200,000 pounds they would get along more economically than they do by using cars made of steel which has a tensile strength of 50,000 pounds. In the present emergency it does no good to talk of revolutionary changes in railroad equipment. There is not sufficient time to build new equipment; there is not enough time to build new tracks; there is not enough time to add greatly to railroad terminal facilities. What is needed is some device which will increase the efficiency of railroads as they are now equipped. All transportation experts, including the two

<sup>1</sup> Discussion at the meeting of the Academy of Political Science, December 14, 1917.

men of great practical experience who have just preceded me, agree that the one only thing which will add greatly to the efficiency of the railroads is the unification of the various systems of the country into one great single system.

The problem is entirely an operating problem; not a problem of getting new facilities or of changing present facilities. It is not a problem of getting dividends on stock or interest on bonds; it is not a problem of increasing rates; and those who are discussing financial questions at the present time are obscuring the real issue and delaying the solution of the difficulty.

While operating unity among the carriers seems to be the most available expedient to relieve the present congestion, there is a very great obstacle in the way of achieving this unity. This obstacle, as Mr. Tomkins has already pointed out, is the law. The Act to Regulate Commerce, passed in 1887, prevents pooling of freight or freight revenues; the Sherman Law of 1890 prevents combination among the carriers, even to the extent that they are not permitted to enter into formal rate agreements as to what they shall charge for the transportation of competitive freight. While these laws do not stand in the way of the combination of physical facilities for more effective and economical operation, they do prevent in a large degree the adoption of the financial arrangements which the carriers would want to negotiate in the event of their agreeing to a plan for greater operating unity. No carrier will give up without heavy compensation the monopoly advantages which it may possess, and it is highly probable that a satisfactory basis of compensation could be arranged only if the carriers were permitted to enter certain pooling agreements.

In view of these conditions, what are the methods by which the operating unity so highly desirable can be effected? There are three: (1) The carriers may disregard the technical provisions of the law and voluntarily unite in some co-operative program for the improvement of the railroad service. (2) As the Interstate Commerce Commission has suggested, the fifth section of the Act to Regulate Commerce may be repealed and the Sherman Law may be so modified as to make it inapplicable to railroads. (3) The president may take over the operation of the roads.

The first method is being pursued to some extent; the carriers have already adopted measures by which greater efficiency may be obtained through co-operative action. But they have not pro-

ceeded to the extent that is necessary or desirable, nor will they do so under present conditions. In the first place, the railroad managers are not willing to violate the law extensively and openly, and if they enter into a complete program of unification they must adopt a system of pooling freight traffic or of pooling freight revenue, or a combination of both. If they attempted to form a pool, there is little doubt that some unpatriotic individual would soon apply for an injunction to prevent the railroads from carrying out the agreement. Since the courts pass upon questions of law and not upon questions of expediency, one can easily see what the result of an injunction suit would be.

In the second place, the rivalry of the railroads is a great obstacle to unity. You have not heard, have you, that the Pennsylvania Railroad, which controls the greater portion of the waterfront in Philadelphia, is voluntarily offering the use of its terminal facilities to other railroads on terms of equality? You have not heard, have you, that the New York Central Railroad, which controls the one important entry to Manhattan Island, is consenting to let all other roads use this entry? I have no doubt that both the Pennsylvania and the New York Central managers would be willing to surrender their monopoly advantage—if the consideration were great enough; but they are not going to give up their strongholds without first knowing what the compensation is to be.

Voluntary action on the part of the carriers did not work last year when the car shortage was just as serious as it is now. The roads entered into a co-operative arrangement for the purpose of securing a more equitable distribution of freight cars and for the purpose of facilitating the prompt return of western cars. It was a good arrangement and it should have helped to solve the difficulty; but it did not, because some of the carriers party to the compact refused to abide by the terms of the agreement. The Interstate Commerce Commission was compelled to undertake the supervision of car service, and to issue mandatory orders for a fair and equitable distribution.

It must be understood that the railroads are not to be blamed greatly for their failure to give up voluntarily the advantages which they possess. Except in the matter of determining the rates which the public must pay for service, the railroad business is a competitive business, and each carrier has a natural desire to hold on to what it has. The situation merely shows that we

should not expect too much from the voluntary action of the carriers under present conditions.

The second method of securing unified operation is likewise open to serious objection. There is no doubt that it would be a good thing for Congress to make the changes in the law suggested by the Interstate Commerce Commission. Railroad economists have for years been endeavoring to convince Congress—and to convince the commission, too—that the anti-pooling section of the Act to Regulate Commerce should be repealed, and that the Sherman Law should not be applied to railroads. But if a bill embodying these changes were introduced now, it would probably take weeks and weeks to get it past the obstructionists at Washington, and meanwhile the transportation system would continue to suffer. Moreover, even if it were possible to get legislative action in a short period of time, we should still have to wait while the carriers were composing their rival interests. Even if suitable voluntary agreements became possible after the change in the law, there would be an enormous waste of time. Time is the chief element in the entire situation. The war is not being fought a year ago or ten years ago, and it will not be fought next year with desirable effectiveness unless it is fought just as effectively as possible right now.

Obviously the only method for quick action is for the president to assume control of railroad operation. Once the president takes charge, as he is authorized to do, a railroad administrator can put into immediate effect by mandate what would take months to accomplish by legislation and voluntary agreement.

It is unwise to obscure the question of railroad operation by the discussion of side issues. There are a number of phases of the railroad problem which demand attention, but for the most part they are entirely irrelevant to the problem of securing more efficient operation of the railroads as they now stand. It is the consensus of opinion among transportation experts that the efficiency of the railroads would be greatly increased if the lines were to be operated as a single system, and whatever method offers the most direct and immediate means of securing operating unity it is the policy of wisdom to adopt.

One advantage of the plan of presidential control is that it would serve to check the movement toward government ownership of railroads, a policy which for this country would be the greatest folly. It is in times of railroad difficulty like the present

that the movement for public ownership gains momentum. There never would have been much serious talk of government ownership in this country had it not been for the obstructive policy of selfish private interests, who, standing in the way of intelligent action, delayed regulation so long that the legislation was eventually formulated in accordance with the warped ideas of the thoughtless agitator. As we delay with the solution of the present difficulty we are hearing more and more talk of public ownership, and if we continue to temporize, there is serious danger that government ownership will suddenly be accomplished. The present difficulty should be a salutary lesson, but its possibilities will be wasted and dissipated unless the crisis is met in the most prompt, direct and effective manner.



## PROBLEMS BEFORE THE SHIPPING BOARD<sup>1</sup>

RAYMOND B. STEVENS

United States Shipping Board

**A**LMOST every department in Washington considers that its work is the most important thing in the war. The Shipping Board is no exception; I want to state to you today what the problem of that board is, and how it is actually being met.

The problem of shipping in the war is two-fold: First, it was the task of the Shipping Board to create enough new tonnage to carry the necessary food and munitions to the Allies, and to move an army to France. Second, it was the duty of the Shipping Board to see that the tonnage already in existence was used to the best advantage, and solely for war purposes. Congress gave the Shipping Board nearly two billion dollars of money for its program of ship construction, and conferred upon the board very broad powers in the way of commandeering both ships under construction and any necessary material to go into ships. Up to the present time, the board has let contracts for nearly a thousand ships, of over eight million tons dead-weight carrying capacity. Of course, not all those ships are under construction, because to build that amount of shipping required the construction of many new yards, and it takes a considerable time to build a yard. Furthermore, the building program of the navy, including its torpedo-boat destroyers, had already occupied sixty-five per cent of the old, well-established steel yards, leaving only thirty-five per cent available for the construction of merchant tonnage by the Shipping Board. Consequently, we have had to turn largely to new yards and new firms, and it takes time, of course, to build up such organizations.

We planned to turn out at least six million tons in the year 1918. We may do better; I think that at least so much is possible. We need above everything else, of course, for the construction of these ships, the co-operation of labor. It is possible to commandeer materials, but you cannot commandeer men; the most vital problem in the construction of ships is to secure the

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 14, 1917.

necessary labor for the shipyards. That means increasing the number of men now in the shipyards, of whom there are perhaps one hundred thousand. When the full program is under way, it will mean probably three to four hundred thousand men, and a great many of these men must be skilled.

The Shipping Board has already in operation, in co-operation with the Department of Labor, the beginnings of a public employment agency whose business it will be to secure the additional help. We find it almost impossible to leave this question of securing the necessary help to the private contractors to whom these contracts have been let. Each has a different method, each is trying to draw from other yards and perhaps other essential industries. We propose that the demand of each yard for men at the present time and for progressive periods of time be turned over to this public employment agency, which will distribute that demand throughout the local employment agencies and the present existing state agencies and new agencies which we will create.

We have also established a school for the instruction of men. Ordinarily in these plants there exists no method by which men are taught the trade. There are many men, of course, who are skilled in the trade but are not skilled in teaching, and we have set up a training school at Newport News, to which some of the best men from the private yards are sent to receive instruction at the government expense in the methods of teaching unskilled labor.

Of course, you must not only get men, but keep them continuously employed, and it has become apparent, not only to the Shipping Board, but to the army and the navy in their building program, that we must secure the full co-operation of labor. That is the most difficult problem of all. So far the government has had the active support of the leading men in the trade unions in working every plan devised for settling disputes without strikes, and in deciding in advance some of the general policies which ought to prevail throughout the war. Of course, there have been some strikes. It is impossible for any scheme to be perfect, but we feel confident that with a fair attitude on the part of the government toward labor, with the establishment of uniform wages for the same class of labor in every district, and with the maintenance of proper conditions in the plants, we can keep continuously employed the men that are needed in these plants. Let me point out only one of the difficulties. We have to divert to certain shipbuilding yards thousands and thousands

of additional men. In many of those places there are not suitable housing quarters for the men; there is in fact no place for the men to live. Consequently, we have had to go into an extensive scheme of supplying, or helping contractors to furnish, good houses for the men. We have also established a bureau whose business it is to see that the sanitary conditions in all the plants are as good as they ought to be, and that the plants are made as comfortable as possible for the men.

In connection with the construction of ships, I might point out that there do not exist today in this country sufficient trained officers or able seamen to man the fleet we are building. The Shipping Board has also taken up that matter. It established some time ago free navigation schools in all the principal ports on the Atlantic coast, the Gulf coast, and the West coast, at which able seamen, who have already had experience at sea, may learn navigation and thus become available as officers. We have also established eight or ten schools for the training of engineers, open primarily to men aboard ship who have had some experience as water tenders and oilers in the care of engines, and also open to stationary engineers. As to officers, then, the plans of the Shipping Board will provide the necessary men for the ships.

We have just recently started a system of training seamen. Of the men now on American merchant ships below the rank of officers, that is, of the ordinary seamen, firemen, coal passers, and water tenders, sixty-five per cent are of alien citizenship. During the war, we feel it desirable that as many men as possible aboard our ships should be American citizens, and we have recently started a free training school for sailors and firemen. We feel, therefore, that when the ships are built and ready, we shall have the force to operate them.

The other problem which has confronted the Shipping Board is the control of the existing tonnage and its use for war purposes. That problem has presented many difficulties. Congress gave the Shipping Board full power to commandeer or requisition any ships under the American flag. Acting under that power, the Shipping Board in October requisitioned or took over the use of all American ships of over twenty-five hundred tons dead-weight carrying capacity. At the present time, therefore, practically all the American merchant marine fit for overseas trade, whether going into the war zone or to South America or the Orient, is under the direction of the Shipping Board.

There were two ways of doing the requisitioning. To take from the merchant marine as they were needed, ship by ship, such ships as were required for direct war purposes, was one method. The other method, which every other country in the war has finally been driven to adopt, and which we adopted, was to take all ships above a certain size.

There are two reasons for the policy. First, a large part of our commerce, outside the direct war trade to Europe, is none the less intimately connected with war needs. We must have nitrates from South America to make powder and munitions; we must have manganese ore from South America, and chrome ore from the Orient to make steel. A certain minimum amount of rubber and jute and other materials must be imported to keep going the industries which are supplying essential war material. In order to look after that trade, and to see that the ships which go to the Orient bring back, not those cargoes which will pay their owners the highest freight rate, but those cargoes which the government needs, without regard to the freight rate, we have taken over all ships under the American flag. They are taken over on a basis of payment by the government of a fixed flat rate per month per ton. That rate was figured to give a fair return upon the value of the property and no more.

That brings me to the other reason why we decided to adopt a general sweeping policy of requisitioning, namely, that there might be some control by the government of charter rates and freight rates. Of course, one of the first effects of the submarine campaign upon shipping was to send up the price of charters and to raise freight rates; as more ships were sunk and the need of ships increased, the rates continued to increase until they reached a point previously undreamed of in the shipping business. I will give you a few examples of what the freight rates and charter rates on ships were before the requisition power of the Shipping Board was put into effect.

The general charter rate on cargo steamers in the spring of 1914 was one dollar per dead-weight ton per month. That was the ordinary form of hiring a ship. The owner rented it out to some merchant or some shipping company, which paid one dollar per ton per month for the dead-weight carrying capacity of the ship. In 1917 these charter rates on ships—and ships going into safe trades, not into the war zone—had gone up to between thirteen and fourteen dollars a ton, 1,300 per cent.

For steamers on voyages to the war zone, in 1917 charters were made at rates as high as twenty-one dollars per ton per month from New York to Genoa, and twenty dollars per ton per month from New York to France, the charterer in addition having to pay the war risk, which has been an enormous expense, as all these ships have been valued on the basis of what they could earn. The insurance issued on vessels during the war has been based, not upon the cost or the pre-war value of the ships, but upon their war value; that, of course, like the value of other property, has been based upon what they could earn, and they could earn almost anything they chose to charge, because people had to have ships. Accordingly, the value of ships went up from perhaps fifty, sixty, and seventy-five dollars a ton, to one hundred and fifty, two hundred, two hundred and fifty and even three hundred dollars a ton. Many ships were insured at these high values at the high war rate, which made the war-risk insurance an enormous burden upon the carrying business.

The freight rates charged for carrying commodities in ships went up even more. Rates on cotton in the spring of 1914 from Savannah to Liverpool were thirty-five cents per hundred pounds, and to Genoa fifty-five cents. Rates in the spring of 1917 were at the level of six dollars per hundred pounds to Liverpool, or one hundred and twenty dollars a ton freight on cotton. The rate to Genoa rose to ten dollars per hundred pounds, or two hundred dollars a ton. Other commodities moved at similar high rates. Now these high rates were, of course, the ordinary result of the play of supply and demand, but they proved, of course, a great burden to all our allies in Europe, who had to pay these enormous freight rates and charter rates. They were also a burden to this country, because we had to pay the high rates on imports coming into this country.

So we took over all these boats at a much lower rate; and it has been the policy of the board to charge on all government cargoes, or on all cargoes moving to any nation associated with us in the war, for the account of that government, a rate which will just cover the cost to the Shipping Board and no more; so that the supplies which go direct to those governments will move at the low rates. We have not yet in many instances undertaken to lower the freight rates on commodities moving to private individuals and private firms. The reason for that is that until there is some general movement on the part of all the Allies to

lower these freight rates, our action would probably have little effect on the general situation. If we lowered the freight rate today on private merchandise shipped to firms in Italy or France or England, we should not affect at all the prices at which those commodities are sold in those countries. The amount which we can move is comparatively small; reducing the freight rate would not move another pound, and the goods are being sold in that market at high prices on account of a shortage which has existed ever since the serious sinkings of ships took place. To reduce the high freight rates on these commodities today, then, would merely transfer or give a high profit to the private merchants in those other countries, or in some instances to our own merchants here. But in every instance where the Shipping Board can see that the lower rate to be charged upon commodities moving in these ships will benefit the public, either here or in the Allied countries, there the rates have been and will be reduced.

Of course, the Shipping Board, like every other government institution during the war, is coming in for some share of criticism. I realize probably as keenly as any man how far the Shipping Board has fallen short of what it is theoretically possible to do. But some of the people who have criticized the board and the other departments of government have no realizing sense of what the obstacles are. It is not difficult, in a country like Germany, which has been strongly centralized and organized during peace times, to turn the industry and power of the nation directly to a war purpose at short notice; but it is a huge task in this country to take our great diversified industries, carried on by private individuals, under no government control, and to organize and direct them for government uses. That cannot be done in a short time by any human being. It means the creation of a large organization; it means the determination and settlement of many difficult and troublesome questions of policy.

I do not know that there is any use in going over past controversies, but I feel that in justice to the men involved, I ought to say here something which I think has not hitherto been stated anywhere. The so-called controversy between General Goethals and Mr. Denman, while it occupied a good deal of space in the public press, did not as a matter of fact interfere much with the construction of ships; during the time that the trouble was discussed in the press the work of letting contracts, of building up the organization to look after them, of deciding what kind of ships should be built,

of making plans for building the big fabricated steel plants and fabricated steel ships—all those plans went ahead, contracts were signed, and there was practically no interference or slowing down of the shipbuilding program as a result of that difficulty.

I noticed the other day, in one of the best-known weeklies of the country, a long article on the Shipping Board, which contained just comments and some inaccurate statements. For instance, it stated that the Shipping Board had requisitioned a great many ships for the use of the army, and that it had taken nearly all of those ships from those which were in service to France, thus robbing France of her necessary ships. As a matter of fact, of the ships that have been taken by the Shipping Board for the army, there are practically none that were serving France. They have been taken from other trades and from the German ships which were seized here. The Shipping Board has given directly for the use of France some of the German ships and some ships in other American trades.

Of course, when there is not shipping enough to go round, there is bound to be a good deal of complaint, a good deal of trouble, a good deal of criticism as to what use is made of the ships; and today, without regard to private interests, without regard to the effect upon the finances or profits of our merchants, whenever we find ships necessary for the army or for the nitrate trade or for the war trade, we reach out and take them from some trade not so essential. Of course, every time that this is done, sore spots are created, but the war can be won on no other basis.

During the next six months a great many more sacrifices will have to be made by American business men in the matter of ships. The new ships planned will not be ready for use in any great number until well along in the spring, and there exists now such a serious shortage of tonnage, and the army plans are so extensive, that in order to serve the war needs, it will be necessary to pare to the bone every bit of water-borne commerce, and all ships under the direction of the Shipping Board will have to be devoted solely to war purposes, either direct war trade to Europe or trade directly connected with the manufacture of war supplies in this country. That is not a pleasant task nor an easy task, but it must be done and is being done. Those are, as I said at the beginning, the two main duties of the Shipping Board, to create the necessary new tonnage and to control and direct the use of all tonnage for war purposes.

## WAR DEMANDS ON THE PORT OF NEW YORK<sup>1</sup>

IRVING T. BUSH

Chief Executive Officer, War Board for the Port of New York

EVERYONE has known that freight congestion existed at New York, but there has been a general lack of knowledge as to the causes of the congestion, and the points at which remedies could be applied. If you are to tune up your motor, the first thing to determine is what cylinder you are missing on. It was with this thought in mind that I determined at the beginning of the work of the War Board for the Port of New York to spend my time in finding out the fundamental cause of the congestion, before attempting to adjust matters of detail such as lighterage and carting problems. Information and statistics are being assembled, which will be of use later in adjusting details, but the starting point must be a knowledge of fundamental causes.

The ocean trade from this port divides itself into three classes. First comes ordinary commercial tonnage, which is operated for gain by experienced steamship owners and agents. I soon determined that this class of business was in the hands of experienced men, and was being efficiently administered. Some improvements may be made, but at the moment it is not the seat of trouble. The next class is the Allied tonnage, and the mistakes made in conducting this class of business at the beginning of the war were the cause of our first congestion. Nearly all purchases for the allies were made f. o. b. New York, which made it necessary for the manufacturers and merchants selling the supplies to get them to this port in order to get their money. The supplies were rushed here far in excess of the ocean tonnage available to carry them abroad. The result was that our terminals were clogged, not with merchandise passing through them, but with shipments which could not be removed from the terminals because ships were not available to carry them. The New York terminals were for the moment the stomach of the nation, and were asked to digest food which could not be properly carried

<sup>1</sup> Introductory address as presiding officer at the afternoon meeting of the Academy of Political Science, December 14, 1917.



away. The result was a bilious attack of the worst kind. If I may use another homely simile, the terminals of New York are our vestibule, through which everything must pass. The vestibule is designed as a passageway. If we turn it into a trunk room, and store in it goods which we shall need later on, but cannot use at the moment, its usefulness as a vestibule ends. The result of clogging our terminals was the establishment of many embargoes, some of which imposed unjust restrictions on ordinary business, and made such business pay the penalty for mistakes made by others. When this situation became acute, the English government established a traffic board in New York to regulate the shipment of their supplies. This board, in conference with the railroad executives, soon determined the trouble, and adopted the policy of inspecting and paying for their supplies at the point of origin, and storing them there until they could be brought to New York in time to be ready for a ship to take them overseas. The machinery arranged by this board was very simple, but effective. I will not attempt to describe it in detail; but the result has been that overseas supplies for England are not now brought to New York until ships are ready to carry them, and our terminals have been freed from that part of the congestion. Representatives of the other Allied governments were later associated with this traffic board, and their shipments have been in a measure regulated in the same way, although not yet with complete success. These arrangements have made it possible to say that the seat of the present and probable future congestion is not with the movement of freight to the Allies, except as to those of them who are not yet operating in complete accord with the system adopted by the English.

The adoption of the foregoing plan relieved in a large measure the congestion, and terminals were in a fair way of being cleared of their undigested freight at the time of the entry of this country into the war. When we became actively involved, large purchases of supplies were made for all of the government departments interested in overseas operations. While in theory these shipments are also held in the interior until vessels are available to carry them abroad, in practice enormous quantities of the supplies have moved to the seaboard and are held here awaiting shipment; there is grave danger that the congestion which existed at the time of the first large purchases by our allies in this country will be duplicated unless a plan to control the

movement of government freight is adopted, and co-ordinated with that of the Allies and the freight of ordinary commerce. The terminals of New York are capable of handling an enormous export tonnage if they are used as terminals, and not as storage yards. If they are used for storage purposes, and supplies which cannot be trans-shipped are crowded into them, without reference to the ships available for transport purposes, they will be clogged even though they be doubled in capacity. The essential thing is to recognize that they are merely a passageway from land transportation to ocean transportation, and that their use must be limited to the accomplishment of this service. The American shipments must be held back until ships are available to carry them abroad, and it is not enough to regulate the flow of government shipments independently of shipments to our allies and those of ordinary commerce. The control of movement of all exports must, in my judgment, be placed in the hands of a competent central authority, so that the needs of each component part may receive just consideration, and the tonnage available may be apportioned to the transport of that part which is most necessary to win the war. This means that some central authority must determine during the period when ships are lacking, whether the needs of the Allies, of ordinary commerce, or of the American forces come first, or to what degree each must be supplied. If such a board is to be created and efficiently administered, the terminals in New York, even though still susceptible of great improvement, are even now capable of carrying their share of the present burden. The time will come, however, when the construction program of the Emergency Fleet Corporation will begin to bring into existence a great new tonnage of ocean freight carriers. We must prepare for this, if the freight is to be transported. If we are to beat the Germans, we must meet them on their own ground of preparedness. There are four links in the chain of transportation used in getting freight from the interior of this country to the firing line. The first is the railroad link, which transports the freight to the seaboard, and assembles it for shipment. The railroad executives are developing the capacity of this link, by methods of pooling and joint operation, which were undreamed of a few years ago. The Shipping Board is arranging for the construction of a great fleet of ocean carriers. This forms another link, and the third is the construction by the American government of port facilities in

France, and a railroad leading from them to the front. This link is under active construction, and will be ready when the crisis arrives. The fourth link, to which little attention has yet been paid, is the intermediary link between the railroads and the ships—the seaport terminals. As I have stated, these terminals, if used for their proper purposes, and relieved of burdens which never should be put upon them, can take care of the present situation, but as additional ships are available and our forces abroad are increased, additional port facilities must be provided. New York can do only its share. The other Atlantic and Gulf ports must do theirs, but there will be little use in expending a billion or two billion dollars in constructing ocean carriers, and in developing land carriers, both in this country and in France, to a point where they can take care of any burden placed upon them, if no steps are taken to develop what may be the weakest link in the chain—that of our seaport terminals. A chain is only as strong as its weakest link, and while our terminals may be made to meet present needs by freeing them of unnecessary burdens, they must be developed to a strength equal to the other links, if a uniform flow of supplies to our overseas forces and to our allies is to be maintained.

This is the large problem which beset the chief executive officer of the War Board for the Port of New York. To it I have given a great deal of my time, because no matter how well the machinery of organization of the war board might be perfected, our port would break down under the strain if relief along the lines I have suggested were not secured. I believe that we are going to secure this relief. I think the army and the railway officials appreciate its seriousness. The nature of the problem is better understood today than in the past, and I think that the business man's point of view will more and more receive consideration. What I have tried to do is to bring to this task the help of the business man.

## THE AIRCRAFT PRODUCTION BOARD<sup>1</sup>

THE Aircraft Production Board was authorized by resolution of the Council of National Defense on May 16, 1917. By this resolution it was authorized:

1. To co-operate with the plane and engine design department of the army and navy, and with manufacturers and engineering laboratories to advance the science of aviation, and to stimulate the production of a better type of aircraft.
2. To advise and assist in standardization of material and parts.
3. To investigate the source of supply of aircraft and the materials entering into them, with a view to co-ordination of designs of all aircraft matters through the officers of the allied countries stationed here; arrangements with existing American factories as to kinds of aircraft best suited to their organizations and facilities; suitable arrangements when necessary to advance government funds or to make arrangements on a cost-plus basis; and utilization of idle facilities and creation of new sources of supply as in the judgment of the board may be necessary.
4. To co-operate with the inspection organizations of the army and navy.
5. Following the selection of sites for aviation schools and supply sites, by the military departments, to advise in regard to buying or leasing the land, preparing it for use, and erecting all buildings.
6. To advise regarding priority of deliveries of aircraft material as between the departments.

It will be noticed that the word "advise" is repeatedly used in this authorization. The board has never assumed to act in any other capacity, and has confined its work to the non-military and industrial phases of the situation.

On October 1, 1917, Congress passed an act making the Aircraft Production Board a body separate from the Council of

<sup>1</sup>Read by title at the meeting of the Academy of Political Science, December 14, 1917. This article is reprinted by permission from the First Annual Report of the Council of National Defense. The personnel of The Aircraft Board has been brought down to date

National Defense, and changing its name to The Aircraft Board, with power "to supervise and direct, in accordance with the requirements prescribed or approved by the respective departments, the purchase, production and manufacture of aircraft, engines and all ordnance and instruments used in connection therewith."

The membership of the Aircraft Board on January 1, 1918, was as follows: Howard E. Coffin, Chairman; Brig. Gen. Geo. E. Squier, Chief Signal Officer, U. S. A.; Rear Admiral David W. Taylor, Chief Constructor of the Navy; Col. E. A. Deeds, of the Administration Division of the Signal Corps; Col. R. L. Montgomery, head of the Equipment Division of the Signal Corps; Capt. N. E. Irwin, Chief of the Bureau of Naval Operations, U. S. N.; Lieut. Commander A. K. Atkins, Chief of the Bureau of Steam Engineering, U. S. N.; and R. F. Howe, who is Vice-Chairman of the Board and its second civilian member. A third civilian member, provided for in the act, is still to be appointed by the President.

One of the desirable features of the board is that it represents a co-ordination of both army and navy effort in the production of aircraft. Although the navy's undertaking in aircraft work promised to be smaller than that of the other branch of the service, the board has devoted much of its thought to the proper handling of the naval program and at the request of the secretary of the navy has reserved several plant units exclusively for navy work.

It was evident at the outset that the problem which lay before the board was to create an industry where none had existed before. The members of the board at once realized that close study should be given to conditions in the airplane industry with a view to considering possibilities of production as they existed at the time. The history of the industry in this country, while full of brilliant accomplishments in many ways, had been on the whole admittedly a slender one from the standpoint of successful manufacturing enterprises. The only considerable market for the products of the industry was the government, and with small appropriations for this work and a very proper desire on the part of the government to encourage all the different factories, the business was piecemeal, and no opportunity was possible for putting production on anything like a commercial basis, as it is known in other businesses. No evidence was obtainable that any appreciable amount of profit had been made, and there was

plenty of evidence that a great deal of money had been lost in too venturesome undertakings.

The basis for the entire program of production was a report made to the secretary of war and the secretary of the navy by the joint army and navy technical board on design and specifications. This board, composed of three officers from each service, skilled in matters of aircraft and answerable directly to the two secretaries, represents one of the increasing number of instances of co-ordination between the two services which are so desirable.

The schedule decided on and incorporated in the board's report was determined with careful consideration of allied experience and needs in relation to those of the United States.

The cause of aviation was urged strongly by members of the missions that visited this country in the early summer, and great pressure was brought to bear to turn as much of our resources into this channel as possible. There was at the same time a frank uncertainty about our being able to accomplish any considerable part of what had been outlined.

The magnitude of the program was at once appreciated and the approval of the War College division of the General Staff was immediately sought.

On June 15, 1917, the War College division addressed a memorandum to Howard E. Coffin, chairman of the Aircraft Production Board:

1. Inquiring as to the extent to which the board's proposed production of airplanes and engines would interfere with the production of (a) artillery material, (b) machine guns, (c) motor trucks, as planned by other departments of the government.

2. Whether the personnel required for the production of airplanes could be obtained without interference with the production of the above-mentioned war material.

3. Asking that the board obtain a statement of clearance from the General Munitions Board and the Priorities Board of the Council of National Defense with respect to both such personnel and material.

This matter was immediately taken up by the Aircraft Production Board, and on June 16 the chairman received a letter from the General Munitions Board, stating that the aircraft program would not interfere with the forging or machine capacity of the country or the motor-truck program.

It was further suggested by the General Munitions Board, with reference to the production of machine guns, that additional facilities would have to be provided for the requirements of the aviation program, and that the matter should be considered by the machine-gun committee of the General Munitions Board. The latter further stated that there would be no interference in the matter of personnel with the operations of other industries essential to the war.

It was necessary to consider at once both the personnel involved in handling what promised to be such a large arm of the service, and also the funds necessary for its accomplishment. On June 30 a bill was under preparation by the airplane division of the Signal Corps, assisted by various members of the board, providing for an adequate service and calling for an appropriation of \$640,000,000 for the twelve months ending June 30, 1918. The various members of the board were called upon to appear before the military committees of both House and Senate; the foreign officers attached to General Squier's staff also submitted evidence, and every effort was being made by members of both houses of Congress to give ungrudging support in launching the undertaking.

Considering for the present merely the problems of production, the work of the board resolved itself into two main divisions: (1) equipment for training purposes in this country, and (2) equipment for combat work at the front in France.

First consideration was given to the problem of securing training plans for the elementary training in this country of the pilots provided for by the joint technical board. It was found that a very satisfactory training plane and motor had been developed by an American company, which machine had been used in quantity by both England and Canada, and through the instrumentality of the board this training machine was adopted as the standard training machine for the three services. The fact developed, however, that while it was possible to secure the desired number of planes of this make from other plants, it would not be possible to secure enough motors of the type designed to fit this plane. The board was accordingly obliged to arrange for an additional type of training machine, which it did reluctantly, as the fundamental policy which it has adhered to wherever possible is the elimination of as many extra types as possible and the concentration on the fewest possible number of types of planes and engines.

When consideration was given to the program of combat, reconnaissance, and bombing planes, the major difficulties were encountered. Although America had been the first to develop the art of aviation, and much of the conspicuous work in the development of that art had been carried on in this country, almost three years of warfare in Europe under the stress of fierce military pressure had produced a development so rapid that the designs and ideas of motors and planes constructed in this country were of comparatively little use, and it was seen at once that so far as plane design was concerned we must rely to a large extent for the present on designs developed in the allied countries.

The same can be said of the motor situation, with this difference: Whereas the construction of the airplane itself and the translation of designs and specifications of these types from France and England presented comparatively fewer manufacturing difficulties for shops in the country, the attempts to produce foreign motors and translate them into the methods of our shop practice presented almost insurmountable difficulties. This fact is not at once understood until it is realized that the whole method of shop practice in the factories of France and Italy is different from that employed in the United States, and it has been the experience almost without exception that the attempt to manufacture in the United States a fine, delicately adjusted product on the plans and specifications used abroad has been almost invariably unsatisfactory. It is substantially a question of shop practice, rather than the individual skill of the workers, there being little doubt that many of the factories in this country today are competent to do machine work the equal of any to be found.

Fully aware of the difficulties involved, the board felt called upon to bring to this country at once as complete data as possible of many of the best types of English and French engines. The experience encountered with the designs for one of the finest French engines well exhibits the task. When the complete blue prints, including the material specifications, were received in this country, it was found impossible to put these engines into production in a plant here equipped to do the finest type of work because in the hurry and confusion of work under war conditions it appeared that the plans were not complete and the factory could not guarantee satisfactory results.

The board was soon in communication with so many brokers representing various factories in France and England whose



products were being offered to the government for manufacture in this country, with large royalty considerations, that the policy was established of refusing to deal with any individual factory or their brokers. From then on it was decided that negotiations would be conducted exclusively between the United States government and the French, English or Italian governments. The Allied governments acquiesced willingly in this method of procedure and in certain ways it tended to strengthen their position with their own factories. The board took the position regarding the royalty matter that there should be free interchange of rights between governments of all matters pertaining to aircraft at this time, and that the advantage to the Allied cause of being able to convert the enormous industrial resources of the United States into the production of aircraft might fairly offset such patent rights as might accrue to individual factories abroad.

As indicated before, one of the immediate and in many ways most difficult problems to be faced from the standpoint of production was the lack of facilities in the industry from which could be expected any adequate results on a program as large as had been decided upon. To undertake an expenditure in excess of \$400,000,000 within twelve months' time in an industry with a total investment of perhaps \$10,000,000 meant that new facilities must be procured at once. Contrary to general opinion, all types of woodworking or machine-shop facilities are not readily adaptable to the manufacture of airplanes and airplane engines, and the board immediately realized that great care must be exercised in encouraging only such establishments to enter this new and rapidly changing business as were equipped from the standpoint of organization and capacity to be of real benefit. As was the case in all the foreign countries, the board looked to the automobile industry, with its vast organizations, for assistance in the production of motors, but for the plane production the task was not so easy.

As a broad general policy it was felt wise to avoid, as far as possible, the scattering of orders for planes and spare parts of planes among a great number of small shops.

The inspection difficulties involved where a great number of shops are working on jobs of this kind are so enormous and results generally so unsatisfactory that, wherever possible, efforts were made to encourage established institutions accustomed to handle things on a broad scale rather than encourage the conversion of

small woodworking establishments of various kinds all over the country. Consideration had to be given to geographical location, as it was obviously unwise to encourage a greater production in any section of the country than could be used at the flying fields to be established there.

Great pains were taken in ascertaining the desirability of manufacturing plants for this work, and when an offer of a manufacturing plant was received an inventory was at once obtained from that plant, supplementing in even greater detail the inventory already on file with the industrial inventory section of the Council of National Defense. Financial statements, personnel of organization etc., were all noted, and if the prospect appeared good an industrial engineer was at once sent to the plant to make an exhaustive report of the production possibilities from the standpoint of aircraft.

Soon after it became apparent that America was prepared to take an aggressive part in the war in the air the problem of policy was presented to the board in varying ways—whether the manufacturing should be done entirely in this country and planes and engines shipped abroad complete or whether parts should be made in rough in this country and shipped abroad for finish and mounting in France, or finished parts shipped abroad for assembling in either French factories or large American assembling plants in France. Experiments were made by the board with shipments of planes in unassembled form, and serious consideration was given to this method.

The difficulties referred to in providing for production in this country of foreign motors made it imperative that something be done toward producing a motor here which, while fulfilling the requirements of service at the front, should at the same time be designed for quantity production in this country. Two courses were open—one to encourage our manufacturers to develop their own types; the other to bring the best of all types together and develop a standard motor.

The necessity for speed and quantity of production resulted in a choice of the latter course, and the designing of a standard motor became the board's engineering objective. Two of the best engineers in the country, both experts in aviation-motor design, were brought together at Washington and the problem of producing an all-American engine at the earliest possible moment was presented to them. Their first conference was held

on June 3, and in consultation with engineers and draftsmen from the various sections of the country they worked continuously, and on June 30, which was twenty-four days after the drawings were started, the new engine, known as the "Liberty motor," was practically completed.

In connection with this work consulting engineers and motor manufacturers gave up their trade secrets as a patriotic measure under the emergency of war needs, and these latter industries also contributed the services of approximately 200 of their best draftsmen. The new engine embodied the best thought of engineering experience, and contributions to the final result came not only through celebrated consulting engineers of this country, but the representatives in the United States of England, France and Italy co-operated in its development.

It was so designed that all parts of the motor were standardized and might be produced rapidly and economically by many factories operating under government contracts. In short, the engine amounted practically to an international model, embodying the best thought of American engineering and foreign experience, so far as the latter could be adapted to American manufacturing methods.

A glance at the problems involved in negotiating with the Allied countries showed the imperativeness of immediate representation by the board over sea, and accordingly a commission, under the authority of the United States Signal Corps, was dispatched on June 17 to represent the United States in negotiations with the foreign air authorities, and to learn at first hand of the latest developments in plane and engine manufacture abroad. With this commission was sent a group of 103 mechanics, chosen from the best automobile factories in the United States. These men were assigned to a half dozen of the leading French factories to learn from the bench the intricacies and minute details of the manufacture of the most conspicuously successful motors. The work of this foreign mission was only beginning by July 1, and the comprehensive results of their efforts can consequently not yet be reported.

In considering the materials used in the manufacture of airplanes, the board discovered at once that the two major difficulties likely to be encountered were in the procurement of spruce and linen. Because of its lightness and at the same time great strength spruce has been almost exclusively used in the past in

the manufacture of the struts, beams etc., of the airplanes. Propellers are made of different woods, chiefly mahogany and black walnut, and while it was not easy to secure adequate importations of mahogany, due to lack of bottoms, the situation was clearly well in hand as long as black walnut, and even birch, could be used with success for propeller construction. Spruce, on the other hand, was used almost universally, and three of the Allied governments have been looking to America for their supply of this lumber. This has resulted in thoroughly unsatisfactory conditions in the market, as different specifications were being used by the three principal buyers, each buyer being represented at various times by several brokers who were bidding against one another and exacting exorbitant commissions for supplying the products to their clients.

The matter was taken in hand by the board and a man of experience in woodworking operations was secured to represent the board in this connection. A delegation was sent to the Pacific coast, including a member of the lumber committee of the Council of National Defense, and changes were made in cutting specifications at the sawmills, so that a much larger percentage of the log would be available for airplane stock than heretofore and also to the end of making it possible to purchase much less per airplane manufactured than heretofore. This had the further advantage of relieving the transportation situation. In some instances this revision of specifications resulted in reducing the amount of lumber required for one machine from 2,400 to 800 feet, the amount now found adequate for the average type of plane.

The production of spruce in the United States in 1916 was, roughly, 30,000,000 feet, and the board faced a probable demand for 1918 far in excess of this amount. There is practically an unlimited supply of spruce in the forests, but as it runs fairly uniform throughout a given tract in the ratio of not more than fifteen per cent on the entire cut, unless special effort were made to bring out the spruce the supply would be far short.

In manufacturing airplane wings linen has been the fabric used by all factories where obtainable. Its lightness and great tensile strength, the fact that it will not rip when pierced by machine-gun fire or shell fragments, the way in which it absorbs the so-called "dope" applied to its surface, makes it the ideal fabric for this work. There is no production of a fabric of this nature in the United States, the entire supply being obtained from Ireland.

The loss of the Belgian textile towns made it necessary for France to look to Ireland for its linen, and with the enormously enlarged program contemplated it was seen that the supply would undoubtedly be short. After considerable negotiations with the importers in this country representing different mills in England and Ireland an agreement was reached whereby one of their number was authorized to represent the entire group and he was in turn made the official representative of the United States to negotiate all matters pertaining to linen with the British air board there. Arrangements were made for a reasonably adequate supply of linen for the year 1918.

It was soon recognized by the board that steps should be taken at once to fortify our situation in regard to both spruce and linen, if possible, by the development of substitutes. The problem was presented to the Bureau of Standards, which had already conducted numerous experiments along this line.

Other equipment for aviation work, such as motor trucks, machine guns etc., has required the board's attention, as well as many general policies of the Signal Corps, such as the providing of supply depots in this country, construction work here and abroad, aviators' clothing etc.

With the program fairly well established, one of the knotty problems confronting the board was the proper contracting for this material in such a manner that the government would be fairly protected in the expenditure of such large sums of money. It must be remembered that there was practically nothing to be used as a basis in the way of former prices for any of this material, the orders of previous years having been placed in such small quantities that the concerns were unable to accomplish much in the way of lowering costs, and what seemed to be large prices were reported by the manufacturers and borne out in many cases by the yearly profit statements of the manufacturers as being not excessive.

However, new conditions in the form of quantity orders were now to be placed and adequate safeguarding of the government's interests required that every possible effort be made to ascertain proper costs on the articles to be produced. Consideration was essential, however, of the position of the contractor, where in almost every case a large investment was necessary to enable a company to undertake a part of the program. Investment had to be encouraged in an industry which had proved hazardous

in years gone by and with the consideration that the termination of the war might see almost a complete stop to future business in anything like the quantities dealt in for the moment.

At the outset of the negotiations with the contractors, the board arranged for its own auditors to go into the plants of the various contractors, and a reliable firm of chartered accountants was retained accurately to ascertain the costs of the various planes and motors. However, many of the articles to be contracted for have never been produced before in this country, and in such cases the board had recourse to independent experts in shop practice and received from them estimates as to what these various articles should cost.

A standard form of cost-plus-fixed-profit contract was in process of development by the board on July 1.

The development of flying fields in this country prior to July 1 received the thoughtful consideration of the board. The original program embraced the construction of twenty-four fields. It was also planned to advise the acceptance of offers from abroad to train there certain numbers of American aviators. A greater development of the flying field program, however, was under consideration on July 1.

The general principle underlying the establishment of aviation training stations was:

1. That such stations should be in the vicinity of centers of material and personnel supply, thus reducing transportation problems.
2. Locations should be sought with favorable topographical and climatic conditions.
3. Consideration should be given to the military use of such fields and their civil use after the war.

In this phase of its work, as in others, the board was brought into close contact with the aviation authorities of the Allied governments, both through its commission abroad and through visits to this country of many of their members.

In the case of Canada a reciprocal arrangement was entered into providing for the training at once of a number of our cadets at Camp Borden, in return for which the United States was to build a double unit school at some point in the South, where Canada may continue her training during the winter months when that work is impossible at Borden.

## BRITISH LABOR POLICY AND ITS IMPLICATIONS FOR THE SOLUTION OF AMERICAN WAR PROBLEMS

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of Munitions

SINCE the organization of the British Ministry of Munitions, early in 1915, much comment has been aroused in this country by the methods adopted by the ministry in its task of spurring up the production of vital munitions of war and the notable success achieved through its policies. Useful as the comparative criticisms thus provoked have been, some question may be raised whether in their almost exclusive devotion to questions of purchase, plant, equipment and management, with the natural popular absorption in the influence of the magnetic personality with which the organization of the ministry is associated, they have not neglected consideration of the solution of problems of production, and especially the treatment of one problem of national industrial organization of the first magnitude, the administration of the labor supply. It is perhaps only after a preliminary examination of the labor policy of the British government that the student of war polity comes to a full realization of the preponderant part which that policy plays in the production of the ever increasing mass of guns, shells, aeroplanes and explosives constantly flowing in behind the Allied armies on the western front.

In the large sense it is the problem of the control and distribution of the nation's man power. Stated in this way, the significance of the problem at once becomes apparent. The manner in which the direction of this task has been centralized in the branch of the government charged with production, and the extent to which that policy has been responsible for the transformation of the British democracy into an effective mechanism for turning out war supplies with the minimum of industrial friction has been accorded too little attention in a country whose labor problems are admittedly so serious and superficially at least so analogous in character to those which

England faced. There is every evidence that all the countries at war have come to the realization that the fundamental problem of the war is the problem of the distribution of man power, and for practical purposes a major part of this question can be included under the more familiar term of the "labor problem."

It was the privilege of the writer of this paper during the larger part of the months of October and November 1917 to accompany on a tour of ten American industrial cities a special mission from the British Ministry of Munitions under the leadership of Sir Stephenson Kent, K. C. B., director-general of the Labor Supply Department of the ministry. The other three members of the mission were officials of the same department, all of them familiar through actual administration with the British labor situation. Through this close association with the mission and constant attendance at a series of informal conferences with American manufacturers and labor leaders held at each place which the mission visited, at which British labor experience was explained, the writer not only was given an opportunity to gather information regarding British policy, but in addition was afforded some basis for comparisons between British conditions and those in this country. On the validity of the impressions resulting from this opportunity must rest such value as this paper may possess.

It should be understood at the beginning that any discussion of the moral aspect of questions under controversy between capital and labor is outside the scope of this paper. Sir Stephenson Kent and his associates everywhere made it clear that they were not primarily concerned with the question of social justice or industrial democracy. The British government has in general during the war interested itself only in assuring complete continuity of output for vital war munitions, and the steps it has taken to organize industry nationally, including its interference as between employer and employee, have been determined upon from this point of view, not from that of welfare or social uplift.

This paper is written from the same point of view. The immediate question before the nation is, What is the most effective means for winning the war? The adoption of a war labor policy implies first of all that that policy is going to guarantee the uninterrupted production of war supplies which the United States and the Allies alike need.

Fundamentally, then, the problem before this country is the same as that which confronted Great Britain. Before discussing



whether this identity can be extended equally to the solution, let us attempt to analyze the problem. The elements in the labor world which may seriously threaten or disrupt the continued and increasing production of munitions may be divided roughly under two heads:

1. Failure of labor now engaged in the production of munitions to perform its task owing to internal disaffection, industrial trouble and strikes; the general question of adjustment.
2. An insufficiency of labor, whether manifested in
  - a. An actual shortage or
  - b. Inadequate or improper facilities for its efficient distribution to meet war needs.

It will immediately be seen that in its essentials the problem differs in no way from that with which industry is confronted in peace time. For several reasons, however, war renders its solution at once more urgent and more difficult. The nation which has traditionally adopted the *laissez-faire* attitude toward industrial disturbances in time of peace, basing its action on the theory that the relationship between the individual workman or group of workmen and the employer or employing corporation is a purely private matter, is faced in war with the actuality that a badly adjusted relationship may mean the stoppage of munitions, which carried to its ultimate logical conclusion means military defeat and national destruction. This in itself has led in England not only to a change in actual industrial policy, but still further to a somewhat radical revision of traditional theories of political and social organization. In the second place, the difficulties of the task of readjustment themselves are greatly enhanced by the unbalancing effects which war always brings in its wake, among them a greater tendency to unrest due to high cost of food and other necessities of life and a heightening of the usual jealousies between the employer and the employed, coupled with a large actual or threatened drain on the supply of labor by the military establishments of the government.

Faced with such a situation, the British government very early in the war assumed full national responsibility for the direction of the labor supply and established machinery for its operation. The significance of the place in which this policy was centralized, as stated before—in the government department

which was responsible for production—can therefore plainly be seen.

To turn now to the actual history of the labor policy pursued by the British government, what was the labor situation in Great Britain when the war broke out? The years 1912 and 1913 had seen a great trade revival. Wages had been high and industrial conditions generally encouraging. The first seven months of 1914, however, showed a profound reaction from this period. Wages had fallen off, and never in the industrial history of Great Britain had there been so many strikes and industrial disputes. Few of these had been of an extensive character, but feeling ran high and small disturbances were unprecedentedly frequent. Students of the situation regarded the symptoms as dangerous. In addition to these manifestations, many long-standing trade agreements as to wage and conditions of employment between the great trade unions and federations of employers were due to expire and it was known by those familiar with labor's attitude that the unions did not intend to renew those agreements on the existing terms. All over Great Britain, labor was gathering its forces for a life and death struggle to secure additional concessions and privileges. The country seemed inevitably on the verge of the greatest industrial war it had ever known. It is unquestionable that the German government knew this as well as the British people themselves, and that the expectation that labor disaffection would aid them was a contributing factor to the choice of August 1914 as the date for the beginning of the world war.

The immediate result of the declaration of war must have been decidedly discouraging to this hope. In the middle of August, without either request or suggestion from the government, the trade unions assembled in London, gave unqualified pledges of loyalty to the nation, and declared an industrial truce for the period of the war. To men familiar with the situation there have been few more inspiring events in British history.

Yet the accumulated habits and grievances of years could not be dissipated by a general pledge of loyalty, however admirable and sincere, and the months following were far from devoid of industrial disturbances which hampered and delayed the production of munitions. Workmen complained of profiteering and unfairness on the part of employers; employers in turn charged the unions with profiteering through exorbitant wage demands,

with restricting the output of munitions plants, and with permitting union rules to interfere with the employment of women and unskilled men on tasks necessary to the country's safety.

Early in 1915, therefore, acting in part on a report submitted by the Committee on Production, whose work plays an important part in much of the industrial history of Great Britain during the war years, the government called together in London the authorized representatives of the great federations of employers, which embrace practically all the munitions trades, and the big "engineering" (*i. e.*, machinists) trade-union leaders in joint conference. The result of that conference was the "Treasury Agreement," which embodies the basic conditions on which all action of the government since, both legislative and other, has been founded. In that agreement capital and labor engaged in the munitions industries came to a definite understanding on all the fundamental points of difference which the war might be expected to bring forth, with the government standing sponsor for the agreement to guarantee good faith. In the undertaking employers and unions alike made certain concessions to the national cause, the unions especially sacrificing customs and privileges built up through decades of industrial struggle. To these concessions the responsible trade-union heads gave their sanction, and the loyalty and intelligent patriotism with which they have used their influence to see that their pledges were carried out by their organizations are a matter of history.

With the Treasury Agreement negotiated between the three responsible parties—capital, labor and the government—the government proceeded to embody its main provisions in legislation, and the Munitions of War Acts which have since been passed are in large measure simply the detailed application under sanction of law of the Treasury Agreement, with the establishment of machinery for carrying it out.

The basic conditions laid down by the Treasury Agreement to prevent disaffection and ensure maximum output for the war, to which both parties subscribed, and which were later embodied by the government in the Munitions of War Acts, were roughly as follows:

To end profiteering on both sides, thus effectually preventing either from making undue gain from the nation's need, it was determined that the profits of the manufacturer in the munitions industries should be limited to one-fifth of the excess over his

profit of the two pre-war years and that the wages of the workman should be checked at the point where they then rested except by the express consent of the Ministry of Munitions to a change. These wages, it will be recalled, are determined by what is known as the "district rate," a rate established in part by local custom, in part by definite agreement between the employers' federations and the trade unions, varying in different parts of the country. As a guarantee, the government undertook to place under its "control" all establishments in the munitions industries. "Control" signified that although the plants were almost invariably left in private hands, they were compelled to submit to certain regulations as to output and conditions of operation. It is unquestionable that the British flag flying over these shops has contributed much to the peace of mind of the workmen, who thus have a visible assurance both that they are under the government's protection and that they are working for the nation in as important a sense as the men in the field.

In the second place, with the question of wages and profits regulated, the government, with the consent of the unions, declared strikes and lockouts illegal for the period of the war, and established extensive machinery for the arbitration of disputes.

Finally, again for the period of the war, the unions swept away at a stroke practically all the trade-union practices which had been built up in the pre-war years, including restrictions on output and restrictions on the employment of women and unskilled men on work which had hitherto been reserved for skilled workmen who had duly served the requisite apprenticeship. It has been only this provision which has enabled Great Britain to introduce in munitions work the millions of unskilled men and women who have made increased production possible. By far the larger part of these men and women, it may be added, have been trained for their tasks by the very men who before the war would have resisted their introduction to the bitter end.

In recognition of the danger of increased cost of living, considering the stabilization of wages, the government gave to the Committee on Production the task of hearing evidence three times a year on the increased prices of living necessities, with the provision that when the evidence warranted, workmen should receive from the government, not in the form of an increased wage, but as a "national award," a bonus to meet this increase. Three such awards have been made, each a general horizontal addition to

the income of all workers alike, as a guarantee that while the nation will not permit financial advantages to be gained from its needs, it will not, on the other hand, permit the workman to suffer through his obstention from asking increases.

As a final pledge of good faith, the government guaranteed that the unions should not lose the ground which they had gained during the years preceding the war, by promising that the shops should be restored to their pre-war condition at the close of the struggle. Whether the union organizations will demand the fulfilment of the letter of this pledge at the end of the war, or whether another co-operative agreement will be made, to establish, with the consent of labor, a new and better economic structure, remains one of the main questions of reconstruction.

These, then, are the main principles on which Great Britain has based her war labor policy. The outstanding features in their adoption are two. First, at no time has the government attempted important legislation affecting labor without preliminary conference and agreement between the two bodies mainly concerned the federated unions and the federated employers. Second, the government proceeded on the principle that strikes were not unavoidable or unpreventable, and on that assumption placed prevention first and adjustment second, with the hard and fast regulation that at no time was work to cease while the adjustment was proceeding. In other words, it attempted to deal with the causes of industrial disputes rather than with the disputes themselves, and its first step was to secure an equitable basis of employment.

It is not easy to state the results accurately without introducing many qualifications. Yet without danger of exaggeration it may be said that there have been no strikes which could be regarded as serious in the usual sense of the word in the industries coming within the scope of the Munitions of War Acts. (The trouble in the coal mines, which ended in the government's taking over the industry, did not come under the Acts.)

It has never been necessary to employ the maximum penalty provided—imprisonment for life. A few strikes there have been, but practically all of them negligible, and not once has there been a strike for an increase in wages. In every case, further, the government has had the loyal and invaluable support of the trade-union leaders in ending them. In the overwhelming majority of cases the government arbitration tribunals, always with a labor

representative as one of the members, have decided controversies without cessation of work, and their decisions have been, if not always entirely satisfactory, at least loyally accepted by both sides. In all cases the government has endeavored to intervene before a disagreement reached the point where a strike was threatened.

In this way, then, Great Britain met the question of adjustment, and it was on this foundation that her measures for effective supply and distribution of man power have been based. At the very beginning of the war she was faced with a serious and constantly increasing shortage of skilled men, which had to be met by immediate measures for training unskilled men and women to take their places and by a more effective distribution of all labor.

Great Britain already had an extensive system of government employment agencies, which has been increased until, with a large increase designed primarily to take care of the problems of demobilization, she will shortly have nearly two thousand labor exchanges in a country with a population only a third of ours and vastly more concentrated. Private employment agencies are now either government-controlled or non-existent and the whole problem is under the government's direction.

Even with this agency of distribution at hand, two difficulties arose almost from the outset. The first was the tendency on the part of employers to bid against each other for skilled men, taking them without regard to the relative importance to the war of the work on which they were engaged. This meant that a man who was at work in a gun factory might be enticed away by financial or other inducements by an employer who was making a product either non-essential or less essential to the prosecution of the war. This has been checked in two ways. Under the Defense of the Realm Act the government issued a regulation which made illegal advertising for labor, or in any way enticing it from one shop to another, under heavy penalties. In addition, if an employer is suspected of the practice but it cannot definitely be proved against him, the government can embargo his shop, refusing to permit him to have more labor from the government employment exchanges until he definitely establishes that he is making the best use, from the standpoint of the prosecution of the war, of that which he has.

A second difficulty was the shifting about, from one shop to another, of labor which should be usefully engaged in war work. Part of this difficulty was taken care of by the stabilization of

wages and the prevention of enticement. In addition, under the provisions of the Munitions of War Acts, a workman who wished to leave a shop was compelled to obtain a "leaving certificate" from his employer. If it was refused he had the privilege of appealing his case to the local Munitions Tribunal, a government agency established for the adjustment of disputes arising under the Munitions of War Acts. The leaving certificates have always aroused opposition among the trade unions, perhaps more for temperamental than for actual reasons. As a result of this opposition, which referred to the provision as the "slavery clause," the certificate system was recently abolished, and the government now depends on its general measures of stabilization and the cooperation of the unions for the prevention of undue shifting of labor.

The general direction of priority in the distribution of labor is now entirely in the hands of a single competent department of the government. As the industry regarded as relatively less essential to the conduct of the war has gradually been eliminated or greatly reduced by the licensing of raw materials which have been turned into munitions production, the labor employed in these industries, through the employment agencies, has been directed also into these plants, with the preference being given to those regarded by the Ministry of Munitions as of the most immediate importance. Priority in labor supply, that is, has kept pace with priority in raw materials. This policy applies equally to the new labor, both unskilled men and women, which is constantly being trained to fill the gaps left by the able-bodied men gradually being drawn into the military establishment of the nation.

In addition to this general control of the labor supply, the Ministry of Munitions has been able to exert a more immediate direction of priority and to speed up munitions work at particularly crucial points through the organization known as the War Munitions Volunteers. This organization is composed of about 200,000 skilled munitions workers who have volunteered their services to the government for the duration of the war, contracting to enter any plant to which the Ministry of Munitions may wish to send them. The government in return guarantees them immunity from military service and a rate of pay equivalent either to that in the district from which they come or that into which they are sent, whichever may happen to be the higher. In addition, they are furnished traveling expenses, and when the

character of their employment necessitates maintaining two living establishments they are given a subsistence allowance to cover the additional expense. Supplementing the War Munitions Volunteers are a certain number of reservists called back from the colors for munitions work, who are employed under virtually the same conditions. This system places constantly at the disposal of the Ministry of Munitions a mobile force of workers who can be shifted judiciously from one form of munitions work to another as military policy may dictate the need for additional amounts of one form or another of war supplies.

Manifestly the only alternative to this system of directing priority would be the use of financial inducements, which would disturb the whole labor field and would permit no discrimination in picking men from industries where their loss would be least felt. Industrial conscription, another possible means of control, has never been seriously considered by the British government, as its dangers have been manifestly greater than any hope of added efficiency in control which it might promise.

The operation of the governmental machinery of adjustment, the work of the munitions tribunals and the arbitration boards, the treatment of problems of poor time-keeping, the regulation of shop conditions, and many other details would require much space for a complete description. Two further points should, however, be given brief mention. One is that, as before the war, the question of the hours of work has been left to negotiation between the unions and the federated employers—to district agreement. There has been no governmental regulation of hours except for women and children. In general, however, in part owing to unfortunate experiences with excessive hours in the early days of the war when the need was driving, the government has done much to discourage long hours and Sunday labor on the ground that output was not thereby increased. Its attitude has been determined almost solely, however, by considerations of production.

The second point is that approximately a million women and a large number of unskilled men have been introduced on munitions work, trained in part by government schools, but to a larger extent in the shops themselves by skilled men. Skilled labor has been extensively "diluted" with unskilled operatives by a general reorganization of the work and the simplification and division of complex tasks.



The wages of the women thus introduced have been established as follows: when a woman is doing a skilled man's work she receives the skilled man's pay; when she is doing piece work she receives the regular man's piece rate; when she is performing unskilled or semi-skilled work she receives a rate which varies according to the establishment or district, but which roughly approximates two-thirds that of the corresponding man. In this way the demand of the unions that women be not used to cheapen the rate for a given job is met.

The future of these women who have thus been introduced into industry is another of the problems of reconstruction which the government must meet. It may be observed here, however, that a solution of part of the difficulty is indicated by the fact that many of these women are the wives, daughters, or sisters of men at the front, who will return to house-keeping, or house-servants or employees in non-essential trades who will return naturally to their former employment with the restoration of peace conditions.

To summarize the story of British experience, then, the British government, through negotiating a basic agreement on controversial points between capital and organized labor, and with the support of both sides, has established a general understanding through which industrial disputes can be adjusted and grievances accommodated on a central principle, thus virtually preventing strikes. At the same time, through the same understanding, it has been able with the co-operation of the unions to do away with established union restrictions on output and has introduced into industry a million female workers. Finally, still with the aid and assistance of the responsible union leaders, it has been able effectively to direct and control the distribution of the country's man power without serious violation of the principle of voluntary industrial service. The main force which has backed legislation and agreement alike has been that of intelligent public opinion.

Discussion of the extent to which British experience suggests a solution for American war problems necessarily resolves itself into a discussion of the resemblance between British and American conditions. Granting that the central problems of adjustment and distribution in the two countries are outwardly the same, it must still be admitted that there are very essential differences, national and political as well as economic, between them. How far analogy and distinction alike apply is a question which for

practical purposes must be left ultimately to the judgment and discretion of the responsible officials of the national administration. Certain of the outstanding factors in the consideration of the problem may, however, easily be indicated.

In the United States, as in Great Britain at the beginning of the war, there is admittedly grave industrial unrest. According to the best available evidence it is not so acute or so concentrated as the situation which England faced. At the same time it is perhaps more difficult to deal with because of this very lack of concentration. The tremendous size of the country and the variation of local conditions, coupled with the fact that neither the employers nor the employees are as closely federated in class groups, makes the problem of adjustment far less direct and coherent, if at the same time possibly less acute, than that which England faced.

In Great Britain there were two very completely organized groups with which the government could deal as the two main parties of bargain, the one representing practically all capital, the other representing practically all labor. Wide apart as they were on controversial subjects, they were yet admirably suited for responsible negotiating bodies.

On the second main problem, that of distribution, the same difficulty of vast territory, with long distances between industrial centers, offers itself. Opposed to the English situation, where any part of the country can be reached from London within a single day's journey, we have an expanse of continent 3,000 miles wide which requires nearly a week to be crossed. It has long been realized by the responsible officials of the government that the existing machinery of government employment exchanges was utterly inadequate for the proper distribution of labor in this country even in peace times, and that war could not fail to make the need even more striking.

The declaration of war by the United States raised at once the question whether the complaint of shortage of workmen in munitions industries indicated an actual dearth of men in the country as a whole or whether it implied simply a lack of proper distribution and a consequent shortage only in particular establishments or localities. The most careful investigation has failed yet to prove an actual shortage of workers in the country as a whole. The efforts which are now being made to augment and expand the existing system of government employment ex-

changes to meet this problem of distribution is sufficient indication of some recognition by this country of the need of at least this part of the British program.

In addition to the question of general distribution, the American experience in the war has served thus far to show the need for some policy to deal with two other manifestations also analogous to British experience. One is the dangerous tendency on the part of industries engaged in different forms of munitions work to bid against each other for skilled workmen without due regard to the comparative importance of their industries to the national cause and the even worse tendency of industries which might be classed as relatively less essential to offer financial inducements to workmen who might be engaged on munitions work to enter or remain in their employment. The question as to how and through what agency the government can exercise some control over priority in labor needs is immediately raised just as it was in England. The necessity of a decision of this character inescapably points to the employment of a single determining body.

At the beginning of the war England was faced, not alone with the question of effective distribution, but also with an actual grave shortage in skilled men of all kinds. Whether this condition now exists in the United States may be a debatable question, but it can hardly be open to doubt that the raising of an army of a million or more men will, with successive increments, produce to some extent a like condition in this country. So far as the distributing and dilution phases of the matter go, and the need for a government employment-exchange system and adequate provision for training, the consideration of the problem would lead to the conclusion that here at least the British analogy holds. It is not necessary to state that a plan similar to that of Great Britain could not be adopted unmodified. Considerations of distance and transportation alone would make that evident. The main difference, however, would probably be that between a centralized and a decentralized administration.

Yet it has already been pointed out that the British form of control has been based on the fundamental adjustment agreement secured between organized capital, organized labor and the government, and that the success of the British plan has been due only to the support of the public and of organized labor thus secured.

Could a similar general binding agreement be reached in this country in a similar way and with equally satisfactory results?

There can be no arbitrary answer to the question. The problem is not a simple one and only actual experiment would furnish a competent answer. The usual reply of the man on the street is to point out that organized labor in the United States represents only from ten to twenty-five per cent of the skilled workmen in munitions industries and that there would be no means of dealing conclusively with the unorganized section of skilled labor, while, on the other hand, in no industries are the employers so closely federated as they are in corresponding British industries. There is further the difference that with a more complete experience in dealing with strong trade unions the idea of a collective agreement occurs much more naturally and readily to the British mind.

Disregarding entirely for the moment the problem raised by the unorganized workers, can it be for an instant assumed that a long and grinding war can be carried on without the continued co-operation and support of the organized group? Of the patriotism and loyalty to country of American labor as a whole, and of its willingness to go as far as British labor in backing the government, there can be no reasonable doubt. The responsible leaders of organized labor have too often given evidence of this attitude and it has received plain recognition from the president and the administration. The effectiveness of agreements has already been demonstrated in particular instances by the experience of the Cantonment Adjustment Commission.

There is plenty of evidence to show that the present clashes between labor and capital which most seriously endanger the peace of the munitions industries are raised through differences arising from unionization. The question is not so much whether agreements on fundamental policy would aid in relieving the existing situation as whether any permanent and equitable national war labor policy involving distribution as well as adjustment can be developed and maintained without some form of binding agreement to last for the period of the war between capital, organized labor, and the government on the basic problems of organization, wage determination, profiteering, strikes and lock-outs, and collective bargaining.

## LABOR ADJUSTMENT UNDER WAR CONDITIONS<sup>1</sup>

V. EVERIT MACY

Chairman, Shipbuilding Labor Adjustment Board

THERE is nothing particularly characteristic of the labor problem in the shipbuilding yards that is not equally true of other industrial occupations. I agree with the last two speakers that there is greater harmony and a more unified point of view coming between capital and labor. I wonder less at the strikes we have had than at their fewness under the present trying conditions. But I also want to emphasize the point that the government must take a greater part in industry if we are to win the war, it has got to take control of the labor program as well as the program of priority, the supplies and fixing prices. It must have a national labor program. It has got to follow the example of England and have a national program, after agreement with the recognized leaders of labor, so that there may be a general uniform policy. It is absolutely out of the question to ask the men to give up this privilege or that right, or to abandon the regulations their organizations have set up if the government is not going to see that by giving up various advantages, their standard of living will not be lowered. There must be some guarantee from the government, through agreement with organized labor, that the men will be protected.

Possibly the reason that we are slow or seem slow to some of us, in getting all our forces to work, is because we must change our method of thought, our entire psychology, in war times is different from peace methods and peace ideas. We must think in larger units, consider not local or personal matters, but what is the best policy for the nation as a whole. We must give up our individual ambitions and sink them in the common cause. It may sound revolutionary to tell an employer the minimum wage that he can pay his employees; it may sound equally revolutionary to the men not to be able to take advantage of supply and demand and get the highest possible price for their labor. But those are policies that must be arranged by agreement between the government and the men themselves, so that we can have a

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.

unified policy to carry us through the war period without any interruption to industry, and produce the greatest output. I will illustrate by the experience of the Labor Adjustment Board.

The very formation of the board was a step in the right direction, because it is a step toward a national policy; but it should be extended to other industries. The board was created by mutual agreement between the Navy Department, the United States Shipping Board, the American Federation of Labor, and the various international presidents of the unions whose members are at work in the shipyards. It is a board of three members, the chairman appointed by the president of the United States, one member by joint agreement between the Navy Department and the United States Shipping Board, and one member by Mr. Gompers, as president of the American Federation of Labor. Our board was brought into existence in the latter part of August. Almost immediately thereafter strikes developed on the Pacific coast, in Seattle, Portland and San Francisco. The strikes occurred at that particular time because the unions and the employers in Seattle and San Francisco were working under annual agreements and those agreements expired in September; one on the first of September, and one on the fifteenth. Owing to the great increase in the cost of living, the men were asking a large increase in wages.

The conditions varied in different places. The difficulties of the shipbuilding program are similar to those of other industries, though many problems are exaggerated in the shipyards because the shipping industry has been of mushroom growth. In Seattle two years ago there was only one steel shipbuilding yard, and now there are four. There are also about twenty yards building wooden vessels. In Portland there was formerly one yard building steel vessels; now there are three, and there are many others building wooden vessels. In San Francisco there were two old steel yards and no yards building wooden vessels. These old yards have been much enlarged. Two years ago the maximum estimate of the number of shipwrights on the coast was possibly three hundred. I suppose there are now employed in the wooden shipyards on the coast probably 15,000 men, 3000 of whom are called shipwrights. These new yards springing up in this short time followed the policy now so common in industry of stealing men from other yards; every new yard that came up built up its force by disorganizing the forces of the yards that already

existed. They went so far as to have sandwich men out in front of an old yard, at lunch time, offering the men twenty-five and fifty cents more if they would leave that yard and come into their yard. That naturally did not increase the number of men, or help get out the increased tonnage. It had quite the opposite effect by destroying the organization of the old yards.

That condition is not confined to the Pacific coast. On the Delaware River, and at several other places on the Atlantic coast, shipyard owners have come to us and asked us to get them together in an organization, in order to stop this practice of stealing men. We said, "Why don't you do it yourselves?"—They replied, "We can't agree. I want to pay a little more to this man and my competitor wants to pay a little less, or he thinks he won't get so many men if he pays the same price that I do." It is absolutely beyond the control of the individual plant. The government must control.

Here is another problem. Considering the large number of shipbuilding yards now in the country, it would be absolutely impossible for one adjustment board, or four or five boards, to keep harmony in these yards, unless we can get a more or less uniform basis of conditions and wages covering large districts. So when we went out to the Pacific coast we had in mind the possibility of establishing a uniform wage, and much to our delight we found that the one point on which both employers and men unanimously agreed was that they wanted a uniform wage for the entire coast.

Under our old system of individual privileges and rights and individual development, conditions not only varied in the same yards, and in the same locality, but they varied very largely from place to place. In Seattle, where the growth of yards had been more rapid and where there had therefore been more competition for men, the rates established in the agreement between the unions and employers during the previous year had been lost sight of within twelve months, and the employers were paying far in excess of the rate established. In Portland, where the men had not only no organization, but where there was an active non-union sentiment, there was also great competition for labor, and though wages were lower than in Seattle, they were still well above the old scale. In San Francisco, owing to the size of the city, the larger labor market to draw from, and less competition for men, wages had remained much the same as under the old

agreement. In Los Angeles, where there was no labor organization at all, wages were much lower. We found therefore all kinds of conditions to deal with.

As we are a national board, our problem was to find some basis upon which we could render decisions and adjust difficulties all over the country, some principle that we could apply everywhere and that would not result in our simply haggling with the men as to how little we could give to satisfy them, but would do justice in each place. We finally decided that the only method to employ was to grant an increase in proportion to the cost of living. So we took as our basic standard the wage determined in the agreements that had just expired, and then went back to the beginning of those agreements, because wages in those agreements were based on the cost of living at the time agreements were made. We figured the increase in the cost of living during the twelve months that had elapsed, and added that amount to the basic scale that the men themselves had agreed upon with their employers. In this way we fixed the wage that we put into effect for the entire coast.

We took that basic wage, as I say, from the agreements in Seattle and San Francisco, because that wage had been arrived at by mutual agreement between the men and their employers through their own organizations; therefore we assumed that it was as nearly a fair and equitable wage as could be arrived at. We did not feel that we should take wages in Portland and Los Angeles as a standard, because the men in those cities were unorganized, and the wage consequently represented simply what the employer could get a man to work for.

If the chaotic condition that permitted the stealing of labor from one employer to another is to continue in all industry, the fixing of a uniform wage by a board such as ours will not last long, because, even though shipyard employers do not raise the wage, outside employers will do so.

There is still another matter that is difficult to adjust. In the shipyards the government is the only purchaser, or you might say the only employer—whichever way you wish to put it. All the boats are being built for the government. Therefore, if we raise the wage in the shipbuilding industry, the government pays the bill, unless there is some special contract with the yard owner which requires that he should do so. But the man making the engines and the boilers for these ships in many of the machine



shops and foundries outside the shipyards has no direct contract with the government. Yet in order to have our ships go to sea, it is as necessary to have these boilers as to have a hull. The mechanics employed in these shops will demand the same wage as those employed on the construction of the hulls, yet the employer is not reimbursed by the government, as his contract is with the builder of the hull and not with the government. A wage fixed in one place in one industry may therefore be a grave injustice to another industry. Instead of getting out greater tonnage by fixing a certain wage in the shipyards, you may be getting out less because you may disrupt the industries that are equally necessary to the finished article.

Additional confusion results from the fact that all industries are now bidding for labor. For instance, in the Gulf states, some shipyard owners came to us only a short time ago, who were complaining that they did not have enough carpenters in their particular district; yet some other department of the government had let contracts for a large number of portable houses which would require twenty-five hundred carpenters to build, and the private contractors were coming into the shipyards and taking carpenters away. There should be some method of establishing priority in labor, as well as in material.

In several strikes that occurred recently the Navy Department and the army and the Fleet Corporation have all been involved, but as yet there is no central method of handling these questions. In at least two instances the navy and the army did not know what the Fleet Corporation was planning to do or the terms on which it was trying to settle its difficulties; in another instance the Treasury Department and the army and navy were involved. In many of these departments several of their subdivisions have different methods of handling labor disputes. They are all acting independently of one another, which simply adds to the confusion.

Wage adjustment is only one side of the problem. The other is the supply and distribution of labor. The shipyards need at least 200,000 more workmen in the next three or four months. Where are they to get those workers, and from what industries should they come? The policy of offering a bonus or inducement to draw men promiscuously into a certain industry is a dangerous one. You may draw men into the shipyards, but you may at the same time take them out of the boiler shops or the machine

shops that are supplying the equipment for the boats. As the result of your bonus or inducement, you may actually be getting not more, but less tonnage.

Another evil has sprung up in connection with the methods of securing workers. The unions, naturally trying to maintain their standards, in some localities demand that the yards should get their additional employees through the labor unions. Certain employers in those districts objected, for the reason that they found, or thought they did, that other yards were getting the better men, while the poorer ones were sent to their yards. This naturally created jealousy among the yard owners. On the other hand, many yard owners maintained their own employment exchanges and discriminated against any man belonging to a union. These conditions cause distrust and confusion.

To sum up the problem of labor adjustment of wages and conditions of employment, I believe that all government departments should agree with organized labor on the establishment of boards similar to our Shipbuilding Labor Adjustment Board. This might result in half a dozen such adjustment boards, and there should be one supreme board in Washington above all the others. Whether you establish district boards or boards for various industries, these boards must act under common regulations; otherwise you will get conflicting decisions and conflicting awards, in which case you might draw men from one entire industry into another. An organization such as I suggest would permit of immediate attention to questions when they arise, and would give an opportunity of fair hearing to both sides. Either side that felt aggrieved by the decision of a local or industrial board would have one appeal to the supreme board; and it is only human nature to think you should have one re-hearing. In addition to that, no board is ever infallible, so it is only just to allow of one appeal, and to have a board of appeals covering the entire country.

There should also be developed a wide extension of the federal employment exchanges so that a comprehensive survey of the available labor and its location could be made. Such agencies could see that labor was drawn into the shipyards or other industries requiring it, and that it was taken, not from equally essential industries, but from non-essential ones. If attached to these central labor agencies there were an advisory committee composed of representatives of organized labor and of employers,

the interests of all sides would be protected. By the establishment of these two forms of organization, one for the adjustment of difficulties and one for the supplying and distribution of labor, our industrial efficiency would be much increased.

Finally, by having agreements with organized labor, we should be taking a step toward democratizing our industries, which, while we are fighting for democracy, seems a most appropriate accomplishment.

## ORGANIZED LABOR AND THE WAR<sup>1</sup>

HUGH FRAYNE  
War Industries Board

IT IS difficult to speak of labor in these times without discussing the war, and it is difficult to speak of the war without discussing labor. Organized labor has been doing all that it possibly can in supporting the president and Congress in carrying out the war program. We have had a number of strikes, indeed; some of them not representative of organized labor. There has been a great deal of unrest and there has been justification for many strikes. We have today men who have placed a greater value upon profits than upon patriotism. They have been responsible for confusion and strikes. Things are improving now. While we have not wholly eliminated the possibility of strikes, we are bringing about a better understanding. Our difficulties hitherto have been due in part to our entering the war entirely unprepared.

This was a peaceful country. It thought peace and practised it. When we finally did have to enter the war, we needed legislation. We got it promptly; some of it is fifty years in advance of the present day. The conscription law had been opposed by organized labor as a fixed principle for years, but when it was enacted, the members of labor organizations as good citizens and patriotic men laid aside their opposition. When the Military and Naval Insurance Act was pending, Congress was severely criticized for the delay in enacting it. Critics forgot that this law dealt with new problems, problems that required careful consideration. Not only did we have to enact legislation, but we had to prepare to finance and feed the whole world except Germany and her associates. It is not strange that our first steps had to be taken slowly.

The work of the War Industries Board is not such that a great deal can be said in public concerning it. We have been doing some constructive work in the setting of prices on steel, copper, lumber, lead and other products necessary for the carrying on of

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.

the war. These achievements establish a new idea in business. They were made possible by a harmonious understanding between the government as represented in the War Industries Board, and the representatives of the industrial interests concerned. Working in co-operation, we are getting production to the full capacity of the mines and the mills.

The War Industries Board is composed of seven members. The original chairman, Mr. Frank A. Scott, was unfortunately forced to resign a few weeks ago, on account of ill health, and his place was filled by the appointment of Mr. Daniel O. Willard. The other members are Judge Lovett, Commissioner on Priority; Mr. Brookins on Finished Products; Mr. Baruch on Raw Materials; Admiral Fletcher representing the navy; Colonel Pierce the army; and I, labor and industry. Every member of the board has a special work to do, but all work is subject to approval by the entire board unless the member wants to assume entire responsibility for his action, or unless some circumstance requires immediate action. If a member wants to assume entire responsibility, he may do so. The approval of the board is necessary not only for the work of individual members, but for the work of subcommittees. The one thing uppermost in the organization is to create the machinery to carry on and win the war so that we may get back again to normal conditions.

I will suggest a few of our problems: One is that of the employer who is seeking to take advantage of his labor force. The man who has been unfair, who has exploited labor, who has taken advantage of women in industry, who has been foremost in using child labor—that same man today wants to get the government to join with him in his idea of solving the labor problem. I find in almost every instance that he has made no attempt to meet present-day conditions, that his employees are compelled to exist upon the same wage as in pre-war times. When you expect labor, whether organized or unorganized, to get along with a dollar that is now worth but forty cents, you are expecting the impossible. The time, in my judgment, has come when the man who is unwilling to pay a living wage can no longer masquerade under the guise of patriotism and expect to be sustained in that position by the government of the United States.

Next, there is the problem of women in industry. Women are employed on our street cars here; in some places they are working as section hands; in other places they are employed in round-

houses and other places absolutely unfitted for the employment of women. I do not want to see the clock turned back a hundred years. A blacksmith shop or a machine shop is no place for a woman; if we are going to save the world for humanity, we must have a humanity in the world to enjoy it. I know that there is as yet no necessity to use women in machine shops, at forges, and in round-houses. The man who is insisting on employing them there is the same man who has always exploited labor and treated it unfairly.

I turn to the question of unemployment. In a certain city a man advertised for one hundred mechanics; he kept on advertising until he got a thousand. He advertised thirty-five cents an hour pay for skilled labor and twenty-nine cents for unskilled. When he had a large surplus of labor assembled, he said to the thirty-five-cent men, "We shall have to reduce you to thirty cents; there are men clamoring for the jobs." On the same plea he cut the twenty-nine-cent men to twenty-seven cents. Some of the workers, lured to the city by his advertising, were stranded, and their unions had to furnish them transportation to other places. To create this sort of unemployment is a poor sort of patriotism.

My idea of this war is that everyone must help. No one has a right to take advantage of someone else and plead war conditions as an excuse. Rich people in this city today are unable to secure coal though they have plenty of money, but every day, in peace as well as war times, there are thousands of working-class families in this city who are cold and hungry; they are suffocated in tenements in which human beings should not live and they are starving in a land full of plenty. Do you believe that the exploiters who bring about that condition are entitled to call themselves true patriots? The war is helping us realize that the one great thing in the world is humanity, and that unless it is recognized and protected and nurtured, everything else counts for nothing.

Organized labor has been criticized for not being sufficiently patriotic. But organized labor, you must remember, has had to deal with a big problem owing to the vast army making up our membership, composed of practically every nationality under the sun. These men and women come from other countries where they have not had so much liberty and freedom as here, and they retain the characteristics and ideals of their home

country, injecting those ideas into their life here. In dealing with this great cosmopolitan group, we have had to spend weeks and months trying to Americanize them in a short time, trying to make them realize their responsibilities and their opportunities, but it has naturally been a slow and difficult task.

Everyone of us has something to do in connection with this world war. No matter how little it may be, everyone can do something. Co-operation should be the watchword until victory comes. We want no false patriotism. But we must stand ready to surrender our very lives, if necessary, in the great cause of world liberation, the real establishment of civilization, humanity, unity, harmony—a democracy that will endure for all time.

## PROVISION FOR THE CARE OF THE FAMILIES AND DEPENDENTS OF SOLDIERS AND SAILORS<sup>1</sup>

JULIA C. LATHROP

Chief United States Children's Bureau

PRESIDENT Lindsay has asked me to speak especially upon the aspect of the Military and Naval Insurance Act indicated by the title. Honorable Julian W. Mack of the United States Circuit Court, chairman of the committee which drafted the measure, should be here today to present this subject, and that not only because he could present certain technical aspects which I cannot assume to discuss, but more because the law is so informed with his own rich human wisdom that no one else can discuss it so well as he.

What I shall present to you can be in no sense a substitute for what Judge Mack could have given, and I owe it to you to explain why, at Judge Mack's request, I venture to accept the invitation to appear here. Almost immediately upon the declaration of war by the United States, the Children's Bureau undertook a study of child welfare in the warring countries by examining such sources of information as were then available in the United States. It soon became evident that the more powerful countries involved in the war were making increasing efforts to protect infancy and childhood not only by voluntary civilian activities, but by governmental provisions. It became clear that if the participation of the United States in the war was to be extensive or of long continuance, special governmental action for the protection of soldiers' children would be necessary in this country.

The provisions of Canada, our next-door neighbor, appeared so important, not only by reason of their own completeness, but by reason of the similarity between the standards of life in Canada and in this country, that it was determined to make special study of the operations of the Canadian plan for the care of dependents of enlisted men. The bureau was fortunate enough to secure the services of Mr. (now Captain) S. Herbert Wolfe of New York, an actuary of high standing, who made the desired study as a

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.



patriotic contribution, and it was published by the bureau in May of this year under the title of *Care of Dependents of Enlisted Men in Canada*.

It was then suggested by the secretary of labor that a comparison of the governmental provisions for soldiers in the United States and in foreign countries would give further material upon which to base a new provision for this country, and accordingly another pamphlet was prepared by the bureau under the general direction of Captain Wolfe, entitled *Governmental Provisions in the United States and Foreign Countries for Members of the Military Forces and Their Dependents*, in which the then existing United States provisions are compared with those in force in eleven of the warring countries.

These two bulletins, but especially the Canadian study, furnished a beginning for the measure drafted under Judge Mack's supervision. The Canadian plan embraces four features of special interest: allotments from their pay by soldiers to their dependents and accompanying flat-rate government allowances to dependents; Patriotic Fund allowances which supplement those of the government by appropriations varying with the size of the family; a plan of re-education of injured soldiers under military auspices; and in certain cases, insurance. The city of Toronto, for instance, gives insurance to each soldier enlisted therefrom in the uniform sum of \$1,000. It will be seen that the Patriotic Fund is voluntary, and that the insurance not only is voluntary but is of limited application. Close study of the operation of the Canadian plan shows that the maintenance of the family, and the nurture and education of the children are made of fundamental importance. Inevitably the Children's Bureau was interested in the development of a plan for this country keeping to the fore provisions for the children, in terms suited to the temper and needs of our people and to the standards of life achieved here.

Many persons participated in the preliminary discussions, and the idea of developing an insurance scheme was regarded with special favor as its possibilities became clearer. This novel feature has been prominent in the public mind, as the War Risk Insurance Act has begun operation, and it is not easy to exaggerate its importance either financially or as a stimulus to thrift and independence. But the other features of the act are also intended to foster independence, and all the provisions are so

inter-dependent that the measure must be considered as a whole in trying to judge of its practical value to the soldier and his family.

The work of Judge Mack and his committee is embodied in the Military and Naval Insurance Act which became law on October 6, 1917, its administration being lodged in the Department of the Treasury in the Bureau of War Risk Insurance.

Under this apparently narrow but really adequate title, the War Risk Insurance Bureau begins a new governmental task of tremendous proportions. It is no less than to carry out a plan of affording a safe economic basis for all members of the armed forces of the United States and their dependents, and to secure it now. It attempts this upon the theory that the family income is profoundly disturbed by the mobilizing of the armed forces, that the usual hazards of death and disability which the breadwinner meets are enormously increased in war, and that the nation which claims the services of certain of its citizens for military duty should also assume so far as possible the extra loss and hazard involved—in other words, the war risk.

The law offers a distinct governmental scheme under which if death results, the family, and if injury results, the man and his family shall have at least a certainty of modest income with which to face the world, an income known in advance, and ready when most needed. The attempt is to express this governmental obligation by expedients which shall maintain and stimulate in the soldier and his family the independence and self-direction of civil life.

Not only was painstaking study made of the methods of providing for armed forces and their families in the various warring countries, but also the needs and temper of our people and the standards of life existing here were taken into account in devising the plan which the new law embodies. It unites provisions never before combined in a governmental measure in any country, and contains certain features entirely novel in the United States.

The outstanding features of the act are as follows:

1. *Allotments and Allowances.*

Allotments are made by the enlisted man to his family; allowances are made by the government to the family.

Subject to the conditions and limitations and exceptions specified in the act, all enlisted men in the military and naval forces

*shall* make allotment of pay for the benefit of wife and child or children; and *may* make allotment of pay for the benefit of any other person.

The monthly compulsory allotment shall not be more than half the pay nor less than \$15.

In addition to the allotment made by the man the family will have another source of income; for upon written application to the Bureau (of War Risk Insurance) by the enlisted man, or by or on behalf of any prospective beneficiary, the United States will grant and pay a family allowance of not more than \$50 per month.

Thus the family allowance payable monthly by the government to the wife, the child or children of an enlisted man is as follows:

- a. If there be a wife, but no child, \$15.
- b. If there be a wife and one child, \$25.
- c. If there be a wife and two children, \$32.50, with \$5 per month for each additional child.
- d. If there be no wife, but one child, \$5.
- e. If there be no wife, but two children, \$12.50.
- f. If there be no wife, but three children, \$20.
- g. If there be no wife, but four children, \$30, with \$5 per month additional for each additional child.

In order to compute the family income it is necessary to add the sum allowed by the government to that allotted by the man. For instance, suppose a private at lowest pay, \$30 per month, has a wife and two children. He is required to allot to them at least \$15 and in his case this is also the maximum he must allot, for it is half his pay. In addition to this allotment of \$15, his family will receive from the government \$32.50 each month, giving them a total income of \$47.50. The War and Navy Departments will pay over to the Treasury Department monthly the entire amount of the allotments made from the pay of the enlisted men, and allotments and family allowances will be paid together by the War Risk Insurance Bureau to the family.

Again, if the man has two children, but no wife, the income for their benefit would be \$15, the man's allotment, plus \$12.50, the government allowance, making a total monthly income of \$27.50.

Special provision is made for a former wife divorced, and not re-married, to whom alimony has been decreed by a court, and also for an illegitimate child recognized by the father or to whose support the father has been judicially ordered to contribute.

So far we have been considering those dependents described in the law as Class A—the wife and children to whom allotment of pay by the enlisted man is compulsory. Subject to regulation, the enlisted man may allot any proportion of his monthly pay or of the part remaining after he has made the compulsory allotment in Class A to any person and for any purpose he may direct. Should the enlisted man allot pay to certain persons who are described in the law as Class B, the government will also contribute an allowance.

The law states that the terms man and enlisted man mean a person, whether male or female, and the beneficiaries in Class B may be either men or women.

The law describes Class B, and states the family allowance payable by the government each month, as follows:

- a. If there be one parent, \$10.
- b. If there be two parents, \$20.
- c. For each grandchild, brother, sister, and additional parent, \$5.

When a woman is making allotment to a child or children, the government allowance will be as follows:

- d. If there be one child, \$5.
- e. If there be two children, \$12.50.
- f. If there be three children, \$20.
- g. If there be four children, \$30, with \$5 per month additional for each additional child.

Family allowances to the above-named members of Class B will be granted by the government only while the member is dependent in whole or in part on the enlisted man, and then only while the enlisted man makes a monthly allotment of his pay equal to the amount of the monthly family allowance, with the following exceptions:

1. The enlisted man cannot be required to allot more than one-half his pay.
2. If the enlisted man is making no allotment to a member of Class A he must allot at least \$15 within Class B in order that the member of Class B may receive the government allowance.

3. If the enlisted man is making the compulsory allotment within Class A, he will be required to allot not more than one-seventh of his pay, but not less than \$5 a month within Class B.

The government may make the allowance to members of Class B without any additional allotment from the enlisted man for good cause shown. But the total received by the beneficiaries of Class B through the government allowance and the enlisted man's allotment shall not exceed the average sum which the enlisted man had been in the habit of contributing to their support.

Thus, if a man has no wife or child, but has a dependent parent and allots the minimum of \$15 per month, the government allows \$10 per month, making a total of \$25 each month. If there are two parents, the man's allotment will be the same, but the government will allot \$20, making a total of \$35 per month.

2. *Compensation in Case of Death or Disability.*

Compensation to widow alone is \$25 per month, to widow and one child, \$35, less in both cases than the income derived from combined allotment and allowance. Compensation in case of death to a widow and two children is \$47.50 per month, the exact sum secured during the man's service at lowest pay by allotment and allowance together. Compensation for one child is \$20, the exact equivalent of the sum of allotment and allowance. Compensation to a widow continues until death or re-marriage; compensation to a child until eighteen years old or married, unless incapable, and then during incapacity.

Compensation for total disability to earn a livelihood is in a rising scale, according to the size of the family, and reaches a maximum of \$100 a month. The monthly compensation during total disability is to be in the following amounts:

- a. If he has neither wife nor child living, \$30.
- b. If he has a wife but no child living, \$45.
- c. If he has a wife and one child living, \$55.
- d. If he has a wife and two children living, \$65.
- e. If he has a wife and three or more children living, \$75.
- f. If he has no wife but one child living, \$40, with \$10 for each additional child up to two.
- g. If he has a widowed mother dependent on him for support, then in addition to the above amounts, \$10.

To an injured person who is totally disabled and so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, not exceeding \$20 per month, as the director may deem reasonable. If, however, the man loses both feet or both hands or both eyes, or becomes totally blind or helpless and permanently bedridden from causes occurring in the line of duty in the service of the United States, the rate of compensation is \$100 a month; no allowance will be made for nurse or attendant.

Compensation for partial disability is calculated according to a schedule of ratings based on average impairments of earning capacity in civil occupations.

### 3. *Re-education.*

In the law, re-education is discussed as a part of the compensation provision. It is provided that in cases of dismemberment, of injuries to sight or hearing, and of other injuries commonly causing permanent disability, the injured person shall follow such course of rehabilitation, re-education and vocational training as the United States may provide or procure to be provided. Should such course temporarily prevent the injured person from following a substantially gainful occupation, a form of enlistment may be required which will bring the injured person into the military or naval service. Such enlistment shall entitle the person to full pay as during the last month of his active service, and his family to family allowances and allotment as hereinbefore provided, in lieu of all other compensation for the time being. Compensation allowed for injury will not be withdrawn no matter how successful the re-education.

The provision for re-education is so important in its bearing on the welfare and independence of the family and so modern in its offer of service to the man that it must be considered as one of the prime features of the measure, destined to great development in physical restoration and industrial adaptation, and therefore in usefulness and contentment.

The government has for some months had experts in Europe studying the hospitals for re-education of injured men, and the War Department has large plans under way for putting into operation the best methods of dealing with injuries of varying character.

### 4. *Insurance.*

Thus far the provisions described have been in the main compulsory, and notwithstanding the modifications possible by the

administrative authorities, and by the man himself, necessarily little can be left to individual discretion.

We now come to an entirely voluntary feature—the insurance. Here is a direct appeal to thrift, foresight, independence and individual action. The insurance is for death or total disability. Since the rates of private insurance companies for life insurance under war conditions necessarily rise to prohibitive figures, the government offers to bear the entire war hazard and to furnish insurance calculated on the basis of the American experience tables of mortality and interest at three and one-half per cent per annum, offered in sums of not less than \$1,000 nor more than \$10,000. The cost monthly to a man of twenty-one for each \$1,000 is \$.65; for \$78 he can buy \$10,000 of insurance for one year. To a man thirty-one years old the cost per month is \$.70 for \$1,000, while for \$84 he can be insured for \$10,000 for one year.

The law provides that the insurance must be taken out within 120 days after enlistment or after the publication of the terms, but that any person in the active service on or after the sixth day of April 1917, who has become totally and permanently disabled or who dies within the time allowed for making application without having applied for insurance shall be deemed to have applied for such insurance, and in case of total permanent disability he shall be paid during his life monthly instalments of \$25 each. In case of his death \$25 per month shall be paid to his wife from the time of his death and during her widowhood, or to his children or widowed mother surviving him; but not more than 240 of such monthly instalments shall be paid. Thus the type of family mentioned above, in which there are a wife and two children, and which by allotment and allowance secures an income of \$47.50 per month while the man is in the service, receives from the government compensation in the same amount, \$47.50 per month, in the event of the death of the man while in the service and in the line of duty, and the "automatic" insurance would add \$25 per month, making a family income of \$72.50. If the man is totally and permanently disabled under the same conditions, he and his family will receive \$100 from the government, and \$25 insurance, making \$125 each month the income for total permanent disability.

The \$25 a month insurance payment is equivalent to what the man would have received from insurance amounting to about

\$4,300. If the man insures his life for a larger or smaller sum, the resulting income would be proportionate, as shown by the following table issued by the director of the Bureau of War Risk Insurance of the Treasury Department:

| <i>Amount</i> | <i>Converted into<br/>Monthly Instal-<br/>ments of</i> | <i>Amount</i> | <i>Converted into<br/>Monthly Instal-<br/>ments of</i> |
|---------------|--|---------------|--|
| \$1,000       | \$5.75   | \$6,000       | \$34.50  |
| 1,500         | 8.63   | 6,500         | 37.38  |
| 2,000         | 11.50  | 7,000         | 40.25  |
| 2,500         | 14.38  | 7,500         | 43.13  |
| 3,000         | 17.25  | 8,000         | 46.00  |
| 3,500         | 20.13  | 8,500         | 48.88  |
| 4,000         | 23.00  | 9,000         | 51.75  |
| 4,500         | 25.88  | 9,500         | 54.63  |
| 5,000         | 28.75  | 10,000        | 57.50  |
| 5,500         | 31.63  |               |  |

It is especially to be noted that the insurance offered by the government in war time is what is known as annual renewal term insurance. At the man's direction the government will retain from his pay the monthly premium and will continue the insurance from year to year if so directed. This insurance has no surrender value, and the premiums increase with the age of the insured. The government, however, offers liberal provisions for changing this insurance to more desirable forms at the close of the war or within a five-year period thereafter, and the man must select some one of the plans then offered or his insurance terminates.

Insurance is not assignable, nor subject to the claims of creditors of the insured or of his beneficiaries.

It was feared by some friends of the law that advantage of the insurance provision might not generally be taken. The indications thus far, however, are that the insurance plan has commended itself to officers and men alike. Thus on December 13, sixty-eight days after the passage of the act, the War Risk Insurance Bureau had received total applications amounting to \$1,963,000,000, representing over 200,000 applicants. The aver-



age amount of the policy thus far is between eight and nine thousand dollars, and officers and men insure with equal freedom.

Plainly the income from the insurance added to the compensation allowed by law does insure a certainty of modest independence to the family. The government thus makes good for the soldier's child the educational standard which it tacitly sets up when it extends the allowance for the child's support until the age of eighteen. This age limit implies the equivalent of a high-school education, and is one of the most noteworthy features of the bill.

One great advantage of the measure is plain. The government promptly recognizes and assumes its responsibility for the soldier and his family, and if the operation of the law proves successful it will certainly avoid the difficulty of the old pension system under which pensioners reached their highest number forty-four years after the close of the Civil War, and pensions their highest cost forty-nine years after the war was at an end. The soldiers' orphan asylum and the soldiers' home will not reappear after this war if the spirit of this measure is carried out.

Much has been written upon the costly failure of the American pension system.

A leading weekly some years ago commented editorially as follows: "The fault is not in this bill, but in our whole method of dealing with pensions from the beginning onward. . . The whole system has been demoralizing."

The soldiers' orphan asylum with the inevitable breaking down of family protection for the child was a part of the old system. The modern character of the new law is seen clearly in the provisions which encourage keeping the family together and educating the children in the ordinary schools.

The Military and Naval Division of the Bureau of War Risk Insurance is directly concerned with putting into operation the measure which has been described in this paper. The division is being organized as rapidly as possible by William C. Delaney, Director of the Bureau, and Charles F. Nesbit, Commissioner, a man whose previous experience gives him special qualifications for this exceedingly difficult and exacting piece of work.

The most pressing task of the bureau is undoubtedly the working out of the family allotments and the government allowances for the dependents of the enlisted men, so that prompt payment may be secured. For paying the government allowances the law

provides the sum of \$141,000,000, to be known as the Military and Naval Family Allowance appropriation.

The commissioner tells us that the Military and Naval Division is receiving applications written in Polish and Italian, and that translators are among the experts required. The government must also have the services of agents who can understand not only the tongue of these foreign-born families of soldiers, but their needs and aspirations as well. Many of them came to the United States because they wanted to rear their children in America, where the universal military service of the Continent is unknown; and now, caught as we all are in this fearful international maelstrom, they are fighting with our native-born to make finally sure that peace which they long since coveted for their children even more than for themselves.

Can the government do this work? Personally, I unhesitatingly answer yes, and it can do it better than any private organization or than any combination of public and private effort, admirable as is the result of such combined effort in Canada. The reasons for placing the main financial burden on the government are sound, although I am not forgetting that the civilian relief of the Red Cross will meet many emergencies and that states and cities and individuals will help in various ways.

No attorney or claim agent is necessary to secure or collect any allotment, allowance, or insurance, because the Government provides by regulation direct and simple methods of proving claims and of paying over to the proper persons all the benefits mentioned in the law.

Throughout the measure a purpose is seen to secure the flexibility necessary for prompt adjustment to individual need or changed conditions, without sacrifice of business effectiveness. Much power is given to those responsible for the administration of the law to make and alter regulations, to allow exemptions and exceptions. This emphasis on discretionary power is one of the marked features of the law. It connotes administration by the highest type of trained specialists, and indeed without such administration the law would be destined to failure.

The law's administration presents many difficulties. Now is the time to face them. The law is a great instance of much of the newer social legislation in our country, which cannot be administered by business effectiveness alone, although that is indispensable.

As the juvenile court laws, the mothers' pension laws, and the workmen's compensation laws and the health regulations of our cities and states are gradually developing a new type of trained person who unites scholarly or business acquirements with practical training in applied social science, so this law must invite and utilize the best ability of the country at every strategic point in this great and novel undertaking. The law is in some respects plainly experimental; amendments will probably be needed, but that is to be expected.

If the law can be administered through the long period ahead during which it must operate, in the same spirit which drafted it, and if its administrators use wisely their power to make regulations and to allow modifications solely in the interest of the beneficiaries, a great technical problem of government administration will be solved, but beyond that a real advance in justice to the soldier and his family will be gained.<sup>1</sup>

<sup>1</sup> The following bulletins have been issued by the Bureau of War Risk Insurance:

1. Terms and Conditions of Soldiers' and Sailors' Insurance.

2. Brief Outline of Family Allowances, Allotments, Compensation, and Insurance for the Military and Naval Forces of the United States Provided under Act of Congress approved October 6, 1917.

3. Family Allowances, Allotments, Compensation, and Insurance for the Military and Naval Forces of the United States Provided under Act of Congress approved October 6, 1917. An Explanation submitted by Judge Julian W. Mack.

## SOLDIERS' AND SAILORS' COMPENSATION, INDEMNITY AND INSURANCE<sup>1</sup>

HON. L. S. ROWE

Assistant Secretary of the Treasury

I DO not know that I have ever felt greater pride in American citizenship than in watching the president of the United States sign the Military and Naval Compensation, Indemnity and Insurance Act on the afternoon of October 6 last. His signature marked a distinct step in the development of that principle of social justice which has become at once the keynote of American democracy and the measure of its development.

I regret that Secretary McAdoo cannot be with you today, for to his clear vision the country owes one of the most comprehensive and significant pieces of legislation ever placed on the statute books of the United States, or for that matter, of any country. In the formulation of the measure Mr. McAdoo had the enthusiastic co-operation of the Committee on Labor of the Council of National Defense, and especially the devoted labor of the Hon. Julian W. Mack and Mr. Samuel Gompers. It was late in the session of a tired Congress that the measure was introduced. There was a desire in many quarters to postpone action until a subsequent season. It was Secretary McAdoo's strong faith in the basic justice of the principles of the bill, combined with a determination to secure action as soon as possible after our entry into the war, that secured immediate consideration of the measure. It will be a lasting tribute to the House of Representatives that the bill passed unanimously; in both the House and the Senate, records were broken in the speed of consideration. In spite of extraordinary speed in the consideration of the bill, it was not until the closing hour of the session that the conference report of the two houses was adopted and the bill submitted to the president for signature.

There has been considerable misapprehension in the public mind with reference to the true significance of this really great piece of legislation. To many it has seemed as if the government

<sup>1</sup> Introductory address read at the afternoon meeting of the Academy of Political Science, December 15, 1917.

were awarding a gratuity to its officers and enlisted men. Nothing could be farther from the truth. Briefly stated, the national government, in this measure, undertook to do three things:

*First:* The compensation sections of the act apply to the men engaged in the military and naval service a principle similar to that which has been incorporated into the workmen's compensation acts of many of our states. The theory on which the act proceeds is that the government, through the selective draft, has taken men from their ordinary vocations and has placed them for an indefinite period in a highly hazardous occupation. The theory of the workmen's compensation acts is that each industry should bear the burden of its hazards and that these burdens should not be unloaded with crushing force on individual workmen and their families. In quite the same way the compensation features of the Military and Naval Insurance Act place upon the entire nation a portion of the burden which would otherwise be borne by those least capable of bearing it. Furthermore, basic principles of social justice demand that when a citizen is prepared to sacrifice his life in a truly national cause, the nation should be prepared to safeguard him against the misery which partial or total disability so often brings to him and to his family. It is true that Congress did not carry out the compensation principle so logically as the framers of the measure desired. Nevertheless, these provisions of the act represent an immeasurable step in advance of the haphazard pension system heretofore so characteristic of our military and naval legislation.

*Second:* In the insurance provision of the act, the nation has in effect said to the enlisted man of the army and navy, "Having decided to enter the war, the nation will now assume, in so far as its officers and enlisted men are concerned, the extra war hazard which this declaration of national policy involves." As you may know, the insurance companies charge an extra war premium of about \$50 for each \$1,000 of insurance. This means nearly a nine-fold increase in the cost of insurance to an enlisted man twenty-one years of age. In short, such insurance rates are practically prohibitive for over nine-tenths of our enlisted men. Under the terms of the Military and Naval Insurance Act, the nation as a whole assumes the extra war risk, charging the enlisted man simply the normal peace rates for term insurance, which insurance is convertible into any of the ordinary forms of insurance at any time within five years after the close of the war.

This feature of the act is entirely voluntary. The government permits a man to secure as much as \$10,000 of this term insurance, but it is entirely optional with him whether he takes one or ten thousand, or whether he takes any insurance at all.

It is not surprising, however, to find that both officers and enlisted men are availing themselves of the privileges of the act to an extent which surpasses even the hopes of the framers of the measure. The returns are by no means complete, but they show that up to December 6 the total amount of insurance applied for amounted to \$1,577,742,000, and that these applications were made by 184,272 men, which represents an average of \$8,562 per man. It is likely that during the next two months the total will reach \$3,000,000,000.

*Third:* The provisions for family allotments and allowances constitute, in many respects, the most significant features of the act. The details have been presented to you by one of the leading authorities of the country and I may therefore limit myself to a few general considerations.

The allotment and allowance features of the measure mean, in effect, a national effort to preserve the standard of life of the families of the enlisted men in the army and navy. We are taking millions of men from gainful occupations and placing them in the service of the government at \$30 per month, to which an addition of \$3 is made for overseas service. This is manifestly inadequate to maintain a reasonable standard of life, in the preservation of which the entire nation is deeply interested. The government, therefore, says to the enlisted man who has a dependent wife, child or grandchild, "You must allot at least \$15 per month of your pay to your family, and I will add thereto an allowance beginning with \$15 where there is a wife without children, and if there are children, increasing in proportion to the number of children." In most cases, the allotment combined with the family allowance will permit the mother to maintain the family in a fair degree of comfort, and will thus avoid the disheartening necessity of making these families the objects of private or public charity. One of the incidental gains of the system of compulsory allotments will be that we shall be spared the inevitable accompaniment of a general draft, the spectacle of dependent deserted families. Miss Lathrop will explain to you more fully the conditions under which a man may care for his mother, father, sister or brother in addition to his wife and children.

This brief outline will give you some idea of the magnitude of the task which the government has assumed. It is a real tribute to American statesmanship that so comprehensive a measure was passed soon after our entry into the war. Its effect will be to free our soldiers and sailors from the mental strain which constant worry concerning the welfare of their families involves. To this extent the efficiency of our fighting forces will be greatly strengthened. But, beyond this, through the combination of voluntary insurance, compensation and indemnity, together with allotments and allowances, we are preserving the nation against one of the most serious consequences of war, namely, the lowering of the standard of life of the dependents of soldiers and sailors, together with the consequent neglect of the education and training of the younger generation. Such neglect brings with it not only loss to the future generations, but a serious undermining of national stamina and progress. In adopting a measure based upon a large view of social justice and a broad perspective of national welfare, this government has performed a service to the people of the country which future generations will appreciate even more clearly than we of the present. In all of its provisions the Military and Naval Insurance Act expresses a true spirit of democracy.

## THE RED CROSS HOME SERVICE<sup>1</sup>

W. FRANK PERSONS

Director of Civilian Relief, American Red Cross

**H**OME Service is the phase of Red Cross work which is concerned with the welfare of the families of men enlisted in the service of our country, and of families, resident in this country, of men enlisted in the armies and navies of our allies. This part of the Red Cross is separately organized; while it is a part of the department of civilian relief, it is entirely distinct from the work of the division which deals with disasters, such as that at Halifax.

The Home Service department of the Red Cross represents the desire of the American people to do for the families of soldiers and sailors what the government cannot do. Everyone realizes that men may be themselves the best soldiers in the world, but if affairs are not well with their families at home, the men worry and lose efficiency; the morale of the army, that all-important factor, begins to fail. Every report from our training camps and from the French front mentions the excellent spirit of our troops. Will they maintain this morale, while thousands of miles from home, through trench-life and battle, to the victorious end? Upon the citizens of this country, organized through the Red Cross for the most part, will this answer depend.

Our soldiers and sailors in the service depend to some extent upon the Red Cross for hospital care, for doctors and nurses, when they are sick or wounded. They depend upon the Red Cross for hospitality and recreation when off duty in France, or in the American cantonments. To their people at home the Red Cross must mean no less surely the neighborly counsel and aid which will keep them in good spirits, health and comfort. The Home Service of the Red Cross must become the nation's assurance that no enlisted man's family shall suffer for any essential thing that it is within the power of the American people to provide.

Home Service workers in every part of this country are now in daily contact with many thousands of such families, and they

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.



know from their experience that in many of these families there are situations demanding a friendly and individualized neighborliness which the nation cannot give. There must be some voluntary agency, and it is the opportunity of the Red Cross, we believe, to make it certain, so far as it humanly may be made certain, that when at last our country's soldiers and sailors return home their families shall be found to have maintained the essential standards of home life. Nothing less than this will measure up to American ideals, and on these American ideals the Red Cross founds its conception and its plans for Home Service.

Home Service is not relief in the sense of money payments or doles of food or clothing, though such assistance may often be necessary even to the families of soldiers and sailors. The enactment, as we have just heard, of the War Risk Insurance Law, has placed the responsibility for financial aid in large measure upon the government, where it justly belongs. The Home Service of the Red Cross is therefore now able to turn its full power upon its own real task.

What are the concrete opportunities of Home Service? The greatest opportunity is the conservation of human resources in families left behind by the men at the front or on the high seas. A majority of these families will be in a position to maintain good standards of health, education, industry and family solidarity, without recourse to outside service of any kind; but in a large minority of cases these powers of self-help will be strained to the breaking point by lack of opportunity, by ill health or by the sudden changes in the way of living which are due directly to war conditions. In no instance should standards and ideals of home life be lowered. The social consequences of war must be anticipated, and all tendency to deterioration must be met and checked.

The second opportunity for Home Service, for which the government in the very nature of things cannot make provision, is relief in emergencies, such as temporary money help, while legal claims are being adjusted, for example, or while the receipt of a government allowance is delayed. This will not be a heavy burden upon the Red Cross, but it is one in which promptness is all-important, and one for which Red Cross Home Service has been responsible during the first seven months of the war, when there were no government allowances.

The third opportunity, like the first, will be not only a continuing but an increasing one. It is the giving of regular allowances

of money, when needed, to those who have no legal claims to the federal allowance, but a moral claim to Red Cross interest, owing to the fact that they have been accustomed to depend upon men now in the service.

A second large group who must have money help from the Red Cross are the families of soldiers in the service of our allies, when such families are resident in the United States. That is no small matter. There are no less than five hundred such families on Manhattan Island now, receiving regular assistance from the Home-Service section of the Red Cross; and the Red Cross depends upon the Home-Service section in each community scrupulously to discharge this duty to those families whose men are fighting our battles.

A fourth opportunity will increase in importance with each month that our forces are engaged in active warfare. It relates to the returning soldier or sailor, more especially when he returns disabled. Whatever can be done through specialized hospital and institutional treatment will be done by the government, supplemented to some degree by the Red Cross and other agencies, but the supremely important thing is the prevention of permanent disability. In this many forces must co-operate. In so far as these forces are local, the Home-Service section of the Red Cross in each locality will have to carry forward the work begun in the hospitals and the government training shops. The non-institutional side, the readjustment to actual home conditions, the fitting of men back into industry after discharge, the interesting of individual employers, the organizing of local resources for further training and development of a helpful and stimulating attitude toward these men throughout the whole community—these will become Home-Service tasks.

After the war the world will need men as never before. It is not merely a just humanitarian service to individuals, but a duty to the country to put forth every effort to conserve the energies of partially disabled soldiers and sailors, and to readjust them to civil and industrial life.

A fifth opportunity for Home-Service workers lies in the desire of relatives of enlisted men to have information of many kinds. Already this service is widely extended. Home-Service sections are advising how mail should be addressed to soldiers and sailors at home and abroad, how information may be obtained about the sick, wounded, captured or missing, what the War Risk Insurance

Law means, and how it operates. This is indeed one of our most important activities at the present time, and literally hundreds of thousands of such inquiries have been answered by our local Home-Service sections. This work will be constantly extended, and will save untold anxiety and suffering. It will serve materially to maintain the comfort and health of those families who have given their bread winners and protectors to the service of their country, and thereby will sustain the morale of the fighting men themselves.

Finally, a sixth opportunity is to help families to keep pace, in ambition and achievement, with the man who is surrounded very often with new chances for education and advancement. I have only recently realized the importance of this work. Men who have had but limited opportunity in life are suddenly confronted with opportunities for travel and for real mental discipline, as well as military discipline, with association with men such as they have never met before in close contact; and they are advancing. For example, one Home-Service section is caring for the large family of a naturalized citizen who volunteered; he enlisted as a private and has now become a sergeant. He is making good in remarkable fashion. It is obvious that he would be disheartened and discouraged if he should return home to find his family in the same forbidding house in which he left them. They have been moved to pleasant, comfortable quarters. The wife and children will have the recreation and the advantages that will assure a home life worthy of this soldier's ideals when he comes back.

Concerning the organization of the Red Cross for this task, perhaps it is sufficient to say that the work is to be organized in each locality as a separate, distinct activity of the local Red Cross chapter. There is not to be a centralized fund from which payments for services or for assistance are to be drawn. Each Home-Service section is to have its budget from the central fund of its chapter, raised locally, and the work is to be done by local people, organized for that purpose in a committee called the Home-Service section. There will be the minimum of red tape and formality, the minimum of control, so far as the department of civilian relief in Washington is concerned. But it is evident from our experience, and I trust it will be evident to you as I tell of the training of Home-Service workers, that there is to be a consistent ideal and method throughout Home-Service work, and that this local organization in each community is much more

apt to have the cooperation of all local social agencies, and to have the initiative and the spirit and the sympathy in fullest measure of the neighbors and friends of these families, if the responsibility for organization and direction of this work remains in local hands, as we have planned.

We are endeavoring to be very careful about the method of approach to these families. It is not intended or permitted that all families of soldiers and sailors shall be visited, and asked if they require assistance; but we want the work of the Home-Service section to be so well understood and its work to be so cordially sympathetic, so natural and neighborly, that those who need help of any kind will be drawn to avail themselves of it.

However, there are many ways in which Home-Service sections come into contact with these families. First, of course, help will without fail be offered to those families at the request of men in the service. Many requests of that kind come from men who, through Red Cross efforts, have received full information at their cantonments or upon the battleships where they are serving about Home Service. These men know that Home Service stands ready to do for their families those things that will conserve their health and comfort.

Second, requests for service come from other members of a soldier's or sailor's family, for the wife or the mother. These have been very frequent means of approach to those who needed assistance.

Third, Home-Service sections learn of emergencies in families, and find ways of offering help in the natural course of fulfilling this information service that I have spoken about.

Fourth, helpful relations are established with families in which there are children, by securing the assistance of school teachers, to whom the aims and the scope of Home Service are being explained. The teachers are likely to know of any family emergency which affects the welfare of the child. Not by any general circularizing, but in quieter ways, it has proved possible to establish a full understanding with these teachers and thus to get prompt information from them about children who are wayward or sick or neglected, or who are withdrawn from school prematurely because of the war service of a father or other near relative.

Fifth, the various religious and social organizations of the community have many contacts with families. To these agencies the Red Cross has given full information about the work of Home Service. This is not done by formal approach through circular

or advertisement, but by personal contact and association, and by drawing into the Home-Service sections as members, representatives of these social agencies and religious societies.

Finally, Home-Service sections are in touch with exemption boards, and are apt to learn through them of the needs of families of drafted men, which are reported there because it is thought to be the right place to send them.

I hold in my hand a letter just received from a soldier at Camp Grant, in Illinois—not a well educated man. This is what he says: "Dear Madam. I wish to extend my sincere thanks to this society for going to aid my wife and child, for whom I made a plea to you all last week to help. My wife wrote me a letter that you all came to see her. I highly appreciate that. I can soldier better now. Yours truly, John Doe."

The Red Cross believes that it owes consideration not only to these soldiers' and sailors' families, but to the agencies in each locality which are carrying permanently the responsibility for social service. At its annual meeting last Wednesday, the Red Cross therefore adopted a resolution which in substance is as follows: That while the Red Cross needs and must use immense sums of money for unusual purposes, it does not wish to receive that money at the expense of the permanent social work of this country, but desires that the support of the Red Cross shall be in addition to that work. We believe that the work of the local social agencies in each community must continue during the war, not only with full vigor, but with increased resources, in order to meet needs that are becoming greater; and we hold that these local agencies must be ready to do their full part in social reconstruction when the war is over. It is the purpose of the Red Cross that the awakening sense of social responsibility shall be utilized by the agencies which are permanent and necessary, and that these organizations (whose work has not been taken over by the Red Cross) shall increase in membership and resources during the war, as their needs may require. This resolution will be given wide publicity.

The Red Cross has training opportunities for Home-Service workers. It became speedily apparent to those engaged in Home-Service, as indeed to those who were trying to organize it, that it would be a tremendous task, that it requires large numbers of responsible executives, and that it means entering new fields for the leaders in communities which will be drawn into this re-

sponsibility. Accordingly, the Red Cross has organized twenty-five Home-Service institutes in the larger cities of this country, widely scattered. Each one is affiliated with a college or university, or with a school for social training. The leaders of these institutes have been carefully selected. They have already met in conference and adopted a uniform curriculum. They are volunteering their services, and they are assisted in each instance by a supervisor of field work. The students are limited to twenty-five in number in each institute. The course is six weeks, with four periods of lectures and twenty-five hours' field work each week under the supervision of an experienced social worker, the field work being actual dealing with families in well-organized social agencies. A certificate is granted to those who finish acceptably this course of training.

This does not make social workers, but it does make informed people in the communities from which the students come; and the attendance is not from a single city. The twenty-five members of the institute at Boston have been drawn from twenty different localities, not more than two from any one place. There are more than three hundred and fifty persons now in training, and certainly before the first of July a thousand will have been graduated from these courses.

In addition, the Red Cross has organized chapter courses for Red Cross chapters. I do not know how many such courses are going on, but certainly more than a hundred. They too are under supervision, and they too have been provided with competent leaders and a uniform course of instruction. Each course, however, is adapted to the needs of the particular community.

In short, the Red Cross, realizing its responsibility and its opportunity, is trying to fit itself to discharge that responsibility. We need and we get the co-operation of the social agencies in each community. We should, and I think we do, respect the feelings of the families whom we have the privilege of assisting. We are solicitous about their welfare, because we know that upon the success achieved in our task will depend the kind of problem that faces this country when the war is over. It is our hope that the Red Cross may be the agency through which the awakened spirit of social responsibility shall find expression, so that when the war is ended America shall not have a new social problem, but shall have a new and greater social force to utilize in solving its old social problems.

## THE COMMISSION ON TRAINING CAMP ACTIVITIES<sup>1</sup>

RAYMOND B. FOSDICK

Chairman Commission on Training Camp Activities

A YEAR ago last summer, five thousand American troops were encamped just across the railroad tracks from Columbus, New Mexico, and every evening they used to come across the tracks to town, just as every soldier comes to town every time he gets a chance. There was absolutely nothing in that town that could in any way legitimately interest them. There were no moving-picture shows and no pool tables; there was no place where they could write letters or read, no place where they could purchase a newspaper or magazine. The only attractions in town were a few disreputable saloons and a red-light district; and those institutions were extensively patronized because there was absolutely nothing to compete with them. The American soldiers used to come across the railroad track in huge droves out of sheer loneliness, and resort to those institutions because there was nothing to take their place.

When the war broke out, in April 1917, Secretary Baker and the president made up their minds that that condition was going to be remedied if it could possibly be remedied. The Commission on Training Camp Activities represents the solicitude of the War Department in connection with the environment of the troops, and the desire of the War Department that all activities in connection with social organizations of the troops inside of the camps be closely co-ordinated. Finally, the commission represents the method of attack by the War Department upon the evils which are traditionally associated with camps and training centers.

The work of the commission has divided itself into two phases. In the first place, we are concerned in building up positive recreational facilities, to take the place of the things we are trying to drive out of business. It is not enough merely to set up "*Verboten*" signs along the roadside, to forbid troops doing this or that, or to pass laws forbidding the sale of liquor to soldiers in uniform. It is necessary to give the men something positive to take the place of

<sup>1</sup> Address at the meeting of the Academy of Political Science, December 15, 1917.

the things that we are trying to eliminate. The first and most important work of the Commission on Training Camp Activities is the building up of adequate recreational facilities.

Our first point of attack is inside the camps, and in that work we are relying primarily upon institutions which were already in existence when the war began. We do not desire to create any more additional machinery than is absolutely essential; hence, inside the camps, we are relying primarily upon such institutions as the Young Men's Christian Association, the Knights of Columbus, and the Jewish Board for Welfare Work.

I suppose you are familiar with the work of the Young Men's Christian Association. The secretary of the Y. M. C. A. has come to be the big brother of the troops in all the camps, and if any of you visit our camps, you will see what a tremendous part the Y. M. C. A. as an institution is playing in developing the morale of our troops. I could speak with equal praise of the work of the Knights of Columbus and the Jewish Board for Welfare Work. These three agencies inside our military camps are closely co-ordinated, and are working in the closest harmony.

At Camp Upton today the whole camp is covered with snow, buried in snow. The buildings where the men sleep have recently been cleared of pianos and all amusement facilities in order to give the men the required air space, and today there would be nothing for the men to do, and absolutely no place for them to go if it were not for the Young Men's Christian Association. The Y. M. C. A. is playing no unimportant part in winning the war, because in providing for the leisure-time activities of the troops, it is making a contented army, and an army is not a fighting army until it is a contented army.

We are relying not only on the Young Men's Christian Association, the Knights of Columbus and the Jewish Board for Welfare Work; we are relying also on the Young Women's Christian Association. Perhaps you know something of the unique institution which has come out of the Young Women's Christian Association. It is called the hostess house. We approved the erection of a hostess house at Plattsburg last spring—the first to be erected in the United States. Greeted with jeers at first by the regular army men, it proved its value at once, and it was not long before Washington began to be bombarded by requests for hostess houses. Now, in every one of the thirty-two great army camps in the United States—the sixteen national army camps and



the sixteen national guard camps—there are hostess houses, either erected or in process of erection. We shall never again have in the United States a military post or camp that does not contain a hostess house.

I suppose you know the function of the hostess house in camps. I had occasion last week to visit a new one just erected in Camp Meade. It is a big affair, with huge fireplaces, and provides facilities for the women visitors in camp to meet their men relatives and friends. In the old days they had to stand in the windy corners of the camp, or parade the streets; there was no place for them to go. Now they can go to a comfortable house, and in pleasant surroundings talk with their men friends and relatives. An institution of that kind keeps up the contentment and morale of the troops.

After all, our function is to surround these men, as far as possible, with the rational environment to which they have been accustomed. We cannot take men from their homes, their clubs, their social institutions, put them into a radically new environment without any of the social contacts to which they have been accustomed, and still expect to achieve the right kind of results. Our fundamental aim in all this work is to create a fighting machine. We never lose sight of that. You cannot have a fighting machine unless the men composing it are contented, and you cannot have men contented if you rob them of all the social contacts to which they have been accustomed. In providing the means of contact between the family and the men, the hostess house is thus occupying no small place in the winning of the war.

As I said before, we created no more machinery than necessary. The commission has supported existing organizations wherever possible; but in many cases it has had to undertake positive work on its own initiative. In the first place, we are building a well-equipped theater in every national army camp in the United States. The government is paying the entire expense, which will amount to \$500,000. We are booking the best Broadway attractions right through the camps, so that the men may have all that you get here in New York. Because we cannot guarantee the permanency of the national guard training camps, we did not feel justified in erecting the same kind of theater there that we are putting up in the national army training camps. We are, however, borrowing two Chautauqua tents for each national guard training camp; and these training camps will

have exactly the same booking circuit as the national army camps. So we shall have a circuit of forty-eight theaters run by the national government.

Why are we doing this? Because we have got to compete with the things that must be put out of business; because we have got to put something positive in the place of the things that for years have been traditionally associated with armies and army camps. These theatrical productions will occupy many a leisure hour in the afternoon and evening. At Camp Funston there are sixty thousand men at the present time. The nearest town has a population of three thousand. There was nothing when we first went there, except a dirty moving-picture show and a dirty restaurant. All the facilities that the town could possibly develop by itself would not begin to take care of the sixty thousand men in their leisure time. Therefore, we must provide just the sort of thing represented by these theaters.

We are developing not only theaters inside the camps, but also libraries. We asked the American Library Association to assume responsibility for putting up in every one of the thirty-two large camps a well-equipped library building for supplying the libraries with books, and for seeing that the books were widely distributed through the camps. The American Library Association most generously assumed this responsibility; it started out to get a million dollars, and before it stopped it had a million and a half. In every national army and national guard training camp at the present time there is either in process of erection or actually erected a well-equipped, modern library building, manned by a modern librarian and full of well-selected books. On the Mexican border the men wanted books about Mexico. Now the soldiers are beginning to demand books about France; they want to know what sort of a country they are going to. We want to give them all the books they want, and of the kind they want.

We are also developing educational facilities inside the camps. You would be surprised if you knew the limited education of some of the men who are drafted for service in our national army. They come down from the Kentucky or Tennessee mountains, unable to read or write. In the Syracuse camp there was a regiment of men who could not understand the commands given them; for they knew no English. In every camp in the United States we have had to start classes in English, spelling, reading, writing, and French. Over a hundred thousand soldiers in the United

States are studying the French language at the present time, in classes run under the direction of the Commission on Training Camp Activities. In this connection we are utilizing the educational machinery of the Y. M. C. A. and the university extension system. In every camp there are classes every evening, representing all subjects from spelling to electrical engineering. The camp has thus become a university for men who are trying to make up the deficiencies of their earlier education.

The French that we are teaching is not what I suppose you would call classic French; but if we can succeed in giving the men a vocabulary of six or seven hundred words, they can make themselves understood abroad, which is more than some of the men who have gone over thus far have been able to do. Their effectiveness as co-operating factors with our French Allies is going to be greatly increased by the French that they have gained in this country.

We are also greatly interested in developing athletic work inside the camps. To send a man out to dig a trench and to set him up in drill day after day, does not necessarily evolve a well-developed physical man. For the sake of such development, we have placed in every training camp in the United States an athletic director responsible to the commanding officer as his civilian aid.

This athletic director is assuming charge, not only of the physical development of the men, but of sports and games, in close co-operation with the athletic coaches of the Young Men's Christian Association. That work is immensely important in keeping the men sane and rational. It is not a rational environment they are going into over there, and it is not a sane kind of work they are going to do; these athletic activities have to be introduced for just that reason, so that the men can be kept on an even mental level. It is one of our most important tasks.

We are particularly interested in developing boxing, and have placed a boxing instructor in every camp. I have seen boxing lessons that include seven hundred men all at once, being directed by a man on a high stand—seven hundred boxing lessons going on at the same time. Boxing is intimately related to bayonet fighting. Our men must be good bayonet fighters, and they must therefore be good boxers. Boxing, besides, is a very clean sport, and one that can be carried on without any particular paraphernalia.

We are interested, too, in developing the singing of the army. We want to send to France a singing army. You cannot imagine the effect that songs have on the morale of the troops. In every national army and national guard camp, as well as in many of the smaller camps, we have accordingly placed a song coach. That innovation met with considerable opposition from some of our hard-headed old Indian fighters down in the War Department, but they are being converted. I wish you could hear the men sing in the army at the present time. I am bound to confess that it is the most popular thing we have tried thus far. The men are crazy about it, and the officers, too, because they see the effect on the spirit of the troops. The songs that these men sing are nothing classical; sometimes they can hardly be called exactly decent; but I don't care what the men sing, as long as they sing something. And yet the other day, down in a Southern camp, I heard twenty thousand men, led by six military bands, singing all together:

Mine eyes have seen the glory  
Of the coming of the Lord,  
He is trampling out the vineyard  
Where the grapes of wrath are stored.

When you hear twenty thousand men singing that song in unison, you will realize what the coming of our troops to France is going to mean.

While we are developing the work inside the camps because it is necessary to keep the men rational, it is also necessary to establish a rational environment in the communities near the camp. The men constantly go to town, and the Commission on Training Camp Activities has undertaken the responsibility of developing the recreational facilities of every town in the vicinity of a military camp in the United States. In order to get the necessary machinery, we called on the Playground and Recreation Association of America, and they put their machinery at our disposal. Over a hundred and twenty towns are now being developed in this particular way.

That means that we have one hundred and twenty representatives of the commission in one hundred and twenty towns in the neighborhood of military camps. These men, first of all, have established a local committee, perhaps appointed by the mayor, and this local committee has taken upon itself the co-ordination of all the agencies in town—the churches, the lodges, the clubs,

the athletic associations—everything already there, so that the men when they go to town will find something pleasant to do, something they want to do.

The old idea that towns should make what they could out of the soldiers has been largely replaced by the idea that they should do what they can for the soldier. Thousands of soldiers are being entertained over Sunday in families in the vicinity of military camps. We have inaugurated all over the country a "take the soldier home to dinner" movement, so that the men will not be deprived absolutely of the home environment to which they have been accustomed.

This work is going to mean a permanent contribution to the towns where it has been carried on. Many of the towns in the South, for example, never had any experience whatever in community work, and they never had any cohesiveness so far as a community program was concerned. Those towns are being made over now; they are developing a social consciousness. I cannot help thinking that through this community work in the neighborhood of military camps, we are making a permanent addition to the life of the towns that will last long after our war camps have been forgotten.

So far I have been talking about the positive recreational forces we have introduced to take the place of the things we are trying to eliminate; but there is another side to our work. We are interested in protecting the troops directly from the evils to which they have been exposed for years and years. The troops on the Mexican border, for example, were surrounded by red-light districts, by saloons, by all the evils by which men could possibly be surrounded. The government took no steps in the matter, because the government never had taken any steps in such things.

At the very beginning of this present work, Congress passed a law which forbade the sale of liquor to soldiers and sailors in uniform, and which made it obligatory for the secretary of war to take all steps necessary to suppress prostitution in the neighborhood of military camps. That work devolved upon the Commission on Training Camp Activities. As a result of our work, thirty-seven red-light districts in thirty-seven cities have been eliminated, and scores of cities have been cleaned up because of the attitude of the War and Navy Departments. Even a city like New Orleans, which from a modern social point of view

seemed almost hopeless so far as moral conditions were concerned, has been cleaned up; and all the cities in the neighborhood of military camps are now undergoing a process of continual scouring.

We are confronted with a special problem. These men are not enlisting voluntarily for service, but are being drafted, and we cannot afford to draft them into a demoralizing environment. They must be protected. It is a duty that we owe not only to the men themselves, but to their families when the men come back from overseas. The idea of the War Department is that these men should be returned to their homes just as clean and vigorous as when they went out. This war is going to be won on the basis of man power, and we cannot afford to lose a single man from any preventable cause.

We know something of the experience through which our allies have gone. In some cases as much as thirty-three and a third per cent of the men have been made ineffective through venereal disease. We cannot afford to have any condition of that kind in connection with Americantroops. As a matter of efficiency we must conserve the fighting vitality of every single unit. Looked at as a matter of efficiency, let alone morals, this work is justified. I am confident that the efforts which the president, the secretary of war, and the secretary of the navy have made, and the work that has been accomplished, will contribute materially to the efficiency of our fighting forces abroad.

The work of the Commission on Training Camp Activities, when it is summed up, comes to this: The great crusade upon which this nation has embarked, the great enterprise to which we have dedicated our lives and our sacred honor, must not be tarnished through any influence which we can prevent. One million and a half of our men are going out into this adventure in much the same spirit as that in which Oliver Cromwell's Ironsides went out; more may go. They must come back in that same spirit, victorious, and with no wounds except those gloriously won in honorable conflict.

PROCEEDINGS OF THE MEETING OF THE  
ACADEMY OF POLITICAL SCIENCE

HELD IN NEW YORK DECEMBER 14 AND 15, 1917

THE annual meeting of the Academy of Political Science held on December 14 and 15, 1917, was devoted to Economic Conditions of Winning the War. Three sessions were held at Columbia University, and one at Carnegie Hall. Professor Samuel McCune Lindsay, President of the Academy of Political Science, presided at the first session; Dr. Harry A. Garfield, United States Fuel Administrator, at the second session; Professor Samuel McCune Lindsay, at the third session; and Mr. Dwight W. Morrow, Director for the State of New Jersey of the War Savings Committee, at the fourth session. The program follows:

FIRST SESSION

FRIDAY, DECEMBER 14, 1917

HORACE MANN AUDITORIUM, COLUMBIA UNIVERSITY

*Transportation, Shipping and Aircraft Production*

1. War Demands on the Port of New York.  
By *Irving T. Bush*.
2. Transportation, Trade Policy and the War.  
By *Calvin Tomkins*.
3. Storage Areas and War Transportation.  
By *Francis Lee Stuart*.
4. The Problem of Unified Railroad Operation.  
By *T. W. Van Metre*.
5. Problems before the Shipping Board.  
By *Raymond B. Stevens*.
6. The Aircraft Production Board. (Read by title.)

## SECOND SESSION

FRIDAY, DECEMBER 14, 1917

CARNEGIE HALL

*Fuel and Thrift*

1. The Task of the Fuel Administration.  
By *Harry A. Garfield*.
2. The Value of the Thrift Campaign.  
By *Frederic A. Delano*.
3. England's Effort to Pay for the War out of Savings.  
By *Basil P. Blackett*.

## THIRD SESSION

SATURDAY, DECEMBER 15, 1917

HORACE MANN AUDITORIUM, COLUMBIA UNIVERSITY

*Welfare of Soldiers and Sailors*

1. Soldiers' and Sailors' Compensation, Indemnity and Insurance.  
By *L. S. Rowe*.
2. The Red Cross Home Service.  
By *W. Frank Persons*.
3. Provision for the Care of the Families and Dependents of Soldiers and Sailors.  
By *Julia C. Lathrop*.
4. The Commission on Training Camp Activities.  
By *Raymond B. Fosdick*.

## FOURTH SESSION

SATURDAY, DECEMBER 15, 1917

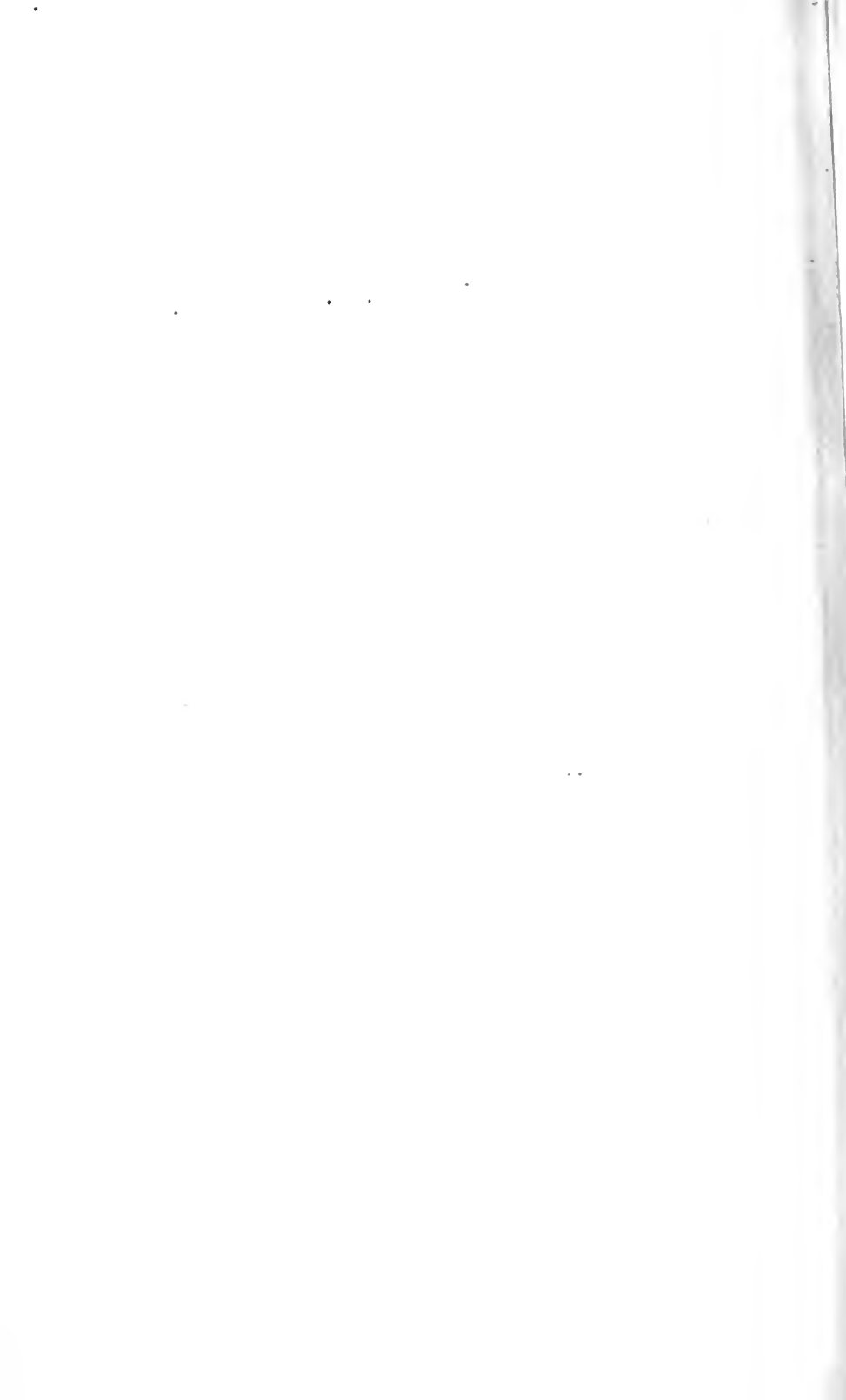
COLUMBIA UNIVERSITY GYMNASIUM

*Relations of Labor and Capital during the War*

1. The Meaning of the War Savings Movement.  
By *Dwight W. Morrow*.
2. Industrial Co-ordination to Win the War.  
By *Joseph E. Davies*.
3. Labor Adjustment under War Conditions.  
By *V. Everit Macy*.
4. Organized Labor and the War.  
By *Hugh Frayne*.
5. British Labor Policy and Its Implications for the Solution of American War Problems. (Read by title.)  
By *Curtice N. Hitchcock*.







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